

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
Regular Meeting
November 6, 2023
at 5:00 PM

1. **Call to Order** at 5:00pm in the SPU Service Center, 255 Sarazin Street
 - 1a) Roll Call (JK)

2. **Communications**
 - 2a) Customer Communications Received – ELWM (SW)

3. **Consent Agenda**
 - C=> 3a) Approval of October 2, 2023 Minutes (GD)
 - C=> 3b) Approval of November 6, 2023 Agenda (JK)
 - C=> 3c) November 6, 2023 Warrant List (KW)
 - C=> 3d) Monthly Water Dashboard for September 2023 (LS)
 - C=> 3e) MMPA October 2023 Meeting Update (GD)
 - C=> 3f) Health Partners Multiyear Health Plan Agreement (GD)
 - C=> 3g) AMI Opt-Out Language for Water ERT's (SW)
 - C=> 3h) Res# 2023-26 Resolution Setting the Amount of the Trunk Water Charge, Approving of its Collection and Authorizing Water Service to Certain Property Described as Lot 1, Block 1, Patch 1 (JA)
 - C=> 3i) Res# 2023-27 Resolution Approving of the Estimated Cost of Pipe Oversizing on the Watermain Project: River Valley Business Park (JA)
 - C=> 3j) Res# 2023-28 Resolution Approving Payment for the Pipe Oversizing Cost on the Watermain Project: River Valley Business Park (JA)
 - C=> 3k) Res# 2023-29 Resolution Setting the Amount of the Trunk Water Charge, Approving of its Collection and Authorizing Water Service to Certain Property Described as KWS (Betaseed) (JA)
 - C=> 3l) Res# 2023-30 Resolution Determining the Final Lateral Water Main Equivalency, Described as: CP17-31, Marshall Road (JA)

4. **Public Comment Period.** Please step up to the table and state your name and address for the record.

5. **Liaison Report** (JD)

6. **Reports: Water Items**
 - 6a) Water System Operations Report – Verbal (LS)

7. **Reports: Electric Items**
 - 7a) Electric System Operations Report – Verbal (BC)

8. **Reports: General**
 - 8a) Marketing/Key Accounts Report – Verbal (SW)
 - 8b) General Manager Report – Verbal (GD)
 - 8c) Semi-Final Capital Improvement Plan for 2024-2028 (JA)
 - 8d) 2024 Preliminary Budget and Cash Flows (KW)
 - 8e) East Shakopee Substation First Amendment to Purchase Agreement (JA)
 - 8f) General Manager Performance Evaluation (JK) *

****A portion of this meeting may be closed under Minnesota Statutes, Section 13D.05, subd.3(a) to evaluate the performance of the General Manager.**

9. **Items for Future Agendas**

10. **Tentative Dates for Upcoming Meetings**
 - November 20, 2023 Workshop
 - December 4, 2023

11. **Adjournment**



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www.shakopeeutilities.com

November 1, 2023

TO: Greg Drent, General Manager *GD*

FROM: Sharon Walsh, Director of Marketing, Key Accounts and Special Projects *SW*

SUBJECT: Customer Communications Received – ELWM

Overview

Attached are two email chains including communications from Mr. Robert Stark (regarding the ELWM fee) that were received too late to make the October 2nd meeting packet (emails dated 9/28 and 9/29).

My email response on 10/5 was to the group of Hillwood customers recapping the October 2nd meeting as I have previously been doing for this group over the last few months. Mr. Stark's response to my meeting recap was received on 10/5, which concludes this particular email chain.

On 10/10, I replied to Mr. Stark, individually, informing him that President Krieg would be personally providing a written response, but that Mr. Krieg was on vacation and would not be able to respond until the week of 10/17. On 10/25, another email from Mr. Stark was received. This email chain, as well as President Krieg's written response, is also attached. All are submitted for public record.

Action Requested

Staff is sharing this customer communication for Commission awareness and discussion as the Commission deems appropriate. No requested action by staff.

Nelson, Denise

From: Bob And Wendy Stark <bwstark1@comcast.net>
Sent: Thursday, October 5, 2023 12:10 PM
To: Walsh, Sharon
Cc: Drent, Greg; andrew chmiel; garyapaully@gmail.com; mazie.pauly@gmail.com; csboegeman22@gmail.com; millers0912@yahoo.com; giesen21@hotmail.com; twermerskirchen@co.scott.mn.us; wermerskirchenta@gmail.com; cindymandt@gmail.com; bcmandt@usfamily.net; slweierke@yahoo.com; babkak1@gmail.com
Subject: Re: Follow Up ELWM Discussion

Sharon,

Unfortunately, nothing you say below actually answers the questions we have repeatedly asked. I guess it shouldn't be a surprise to us as we continue to get the run around and feel the SBU is simply avoiding answering our critical question - Why will you not terminate the initial recording given such appears to be the logical resolution and why are the 10 Hillwood property owners being treated entirely different than admitted past and future SPU practices as it pertains to tracking outstanding fees and recordings against property deeds?

Saying the commissioners are continuing with their past conclusion in no way answers our legitimate questions.

It appears they are avoiding answering our pivotal questions. Although SPU previously stated they would be more transparent in this manner given we went 17 years with no communication, we are back to a lack of communication given we repeatedly have requested an explanation and are always met with only a very broad statement amounting to no answer to our questions.

As such, we again formally request a more detailed and meaningful answer to our questions.

I will also ask other Hillwood property owners to respond with their thoughts as well.

Thanks
Bob



On Oct 5, 2023, at 9:47 AM, Walsh, Sharon <swalsh@shakopeeutilities.com> wrote:

Hello Hillwood Drive/Jennifer Lane Customers,

This is a follow up communication from the October 2th Commission Meeting when emails received between 9/25-9/27 from Mr. Stark were presented on the agenda under Communications.

After viewing the received customer communications, and a legal opinion/response from SPU counsel, the Commission had no change in policy or direction for staff. Staff is proceeding under the same policy set by approved resolutions at the August 7, 2023 commission meeting.

As always, the entire meeting/discussion can be viewed online, and the official meeting notes will be available at next month's meeting.

NOTE: The Commission was made aware there were two additional emails received on 9/28 -9/29 of the same nature but were received too late to make this meeting's packet. They will be included at the November 6th Meeting.

Sincerely,

Sharon Walsh on behalf of SPU Staff

From: bwstark1@comcast.net <bwstark1@comcast.net>

Sent: Friday, September 29, 2023 8:55 AM

To: Walsh, Sharon <swalsh@shakopeeutilities.com>; Drent, Greg <gdrent@shakopeeutilities.com>

Cc: bwstark1@comcast.net <bwstark1@comcast.net>; 'andrew chmiel' <chmiel.andrew.j@gmail.com>; garyapaully@gmail.com <garyapaully@gmail.com>; mazie.paully@gmail.com <mazie.paully@gmail.com>; csboegeman22@gmail.com <csboegeman22@gmail.com>; millers0912@yahoo.com <millers0912@yahoo.com>; giesen21@hotmail.com <giesen21@hotmail.com>; twermerskirchen@co.scott.mn.us <twermerskirchen@co.scott.mn.us>; wermerskirchenta@gmail.com <wermerskirchenta@gmail.com>; cindymandt@gmail.com <cindymandt@gmail.com>; bcmdant@usfamily.net <bcmdant@usfamily.net>; slweierke@yahoo.com <slweierke@yahoo.com>; babkak1@gmail.com <babkak1@gmail.com>

Subject: RE: Follow Up ELWM Discussion

Sharon,

Since the decision to file another recording against our deeds does not make sense, especially when there is evidence you can terminate the initial recording, historic SPU practice has been to not record against deeds, it has been clearly communicated future practice will not include recordings against deeds, and; most importantly, we have not received a good explanation as to why the existing recording cannot be terminated (other than your comments the fee will be eliminated if the recording is terminated, which is not accurate) and why the plan is to create yet another recording to our deeds, we are requesting a moratorium on your self-imposed deadline for us to provide you with our opinion on a second recording by the end of the month.

Since we do not have a legal explanation as to why the initial recording cannot be simply terminated, we feel we are being bullied and forced by SPU to make a premature decision by the end of the month. We are a small group of 10 property owners who are being treated completely different than all past, current, and future property owners. That is problematic and actionable.

We look forward to hearing the reason the existing recording cannot be terminated and the fees tracked in a manner similar to all other fees associated with all other property owners.

Please share our thoughts with all other SPU members immediately.

We appreciate your assistance in this important matter.

Thank you,
Bob

From: Walsh, Sharon <swalsh@shakopeeutilities.com>

Sent: Thursday, September 28, 2023 2:00 PM

To: Bob And Wendy Stark <bwstark1@comcast.net>; Drent, Greg <gdrent@shakopeeutilities.com>

Subject: RE: Follow Up ELWM Discussion

Good afternoon, Bob.

As with previous communications received, I have added your recent emails from (9/25-9/27) to the agenda for the October 2nd Commission Meeting under Communications to share with our commissioners. (This one came in too late to make the packet.)

To clarify, are you formally requesting we do not add the second recording to your property based on your statement below? Please advise.

Thank you,
Sharon

From: Bob And Wendy Stark <bwstark1@comcast.net>
Sent: Thursday, September 28, 2023 11:17 AM
To: Walsh, Sharon <swalsh@shakopeeutilities.com>; Drent, Greg <gdrent@shakopeeutilities.com>
Subject: Re: Follow Up ELWM Discussion

Sharon/Greg,

Given the fact we are still waiting for a detailed explanation as to why your plans are to file another recording against our deeds versus simply terminating the first recording (as you know historically SPU never did recordings against deeds), we think it is appropriate to delay your self imposed month end deadline for our response regarding your highly unusual plan to create yet another recording.

Given our requests to terminate the initial recording to align with historical and future SPU policy, it makes no sense to compound the issue with another unprecedented recording.

Thanks Bob

On Sep 27, 2023, at 10:42 AM, Bob And Wendy Stark <bwstark1@comcast.net> wrote:

Sharon

We feel SPU failed to give any reason or explanation why they are compelled to add the original & additional recordings to our deeds when neither SPU nor the City have done this in the past and will not do so in the future.

We spoke to the County and know you have the ability to remove what currently exists. So why is it that only 10 residents of the entire City of Shakopee, in the past and in the future, will be treated differently?

If you choose not to remove this recording, we have no recourse but to consider filing a joint suit against SPU.

Bob

Nelson, Denise

From: Bob And Wendy Stark <bwstark1@comcast.net>
Sent: Wednesday, October 25, 2023 12:19 PM
To: Walsh, Sharon
Cc: Drent, Greg; andrew chmiel; garyapaully@gmail.com; mazie.paully@gmail.com; csboegeman22@gmail.com; millers0912@yahoo.com; giesen21@hotmail.com; twermerskirchen@co.scott.mn.us; wermerskirchenta@gmail.com; cindymandt@gmail.com; bcmandt@usfamily.net; slweierke@yahoo.com; babkak1@gmail.com
Subject: Re: Follow Up ELWM Discussion

Sharon,

Words can no longer describe the unprofessional lack of communication on the part of the SPU to our request for additional answers.

It has now been 15 days since your last email indicating President Krieg was contacted after the Oct 2nd meeting, which was 23 days ago indicating he would directly respond to our questions. Needless to say, unfortunately, and true to historical SPU treatment towards us, we have yet to receive a formal response.

I guess it shouldn't surprise us given the way we have been treated in the past, especially regarding a lack of overall direct communications and a lack of adherence to historical and current SBU policies and practices.

For the legal record, we again formally request detailed answers to our previous formal requests for more detailed answers to our questions.

Thanks
Hillwood Estate Property Owners



On Oct 10, 2023, at 3:22 PM, Walsh, Sharon <swalsh@shakopeeutilities.com> wrote:

Hello Bob,

My apologies for the delay in responding to this email. I had contacted President Krieg following our meeting on October 2nd, but he has been on vacation. He plans to provide a direct written response to your inquiries but due to vacation and availability will not be able to provide his response until next week.

I wanted to share this with you in the interim.

Regards,
Sharon

From: bwstark1@comcast.net <bwstark1@comcast.net>
Sent: Friday, September 29, 2023 8:56 AM
To: Walsh, Sharon <swalsh@shakopeeutilities.com>; Drent, Greg <gdrent@shakopeeutilities.com>
Cc: bwstark1@comcast.net; 'andrew chmiel' <chmiel.andrew.j@gmail.com>; garyapaully@gmail.com;

mazie.pauly@gmail.com; csboegeman22@gmail.com; millers0912@yahoo.com;
giesen21@hotmail.com; twermerskirchen@co.scott.mn.us; wermerskirchenta@gmail.com;
cindymandt@gmail.com; bcmandt@usfamily.net; slweierke@yahoo.com; babkak1@gmail.com
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Please share our thoughts with all other SPU members immediately.

We appreciate your assistance in this important matter.

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If you choose not to remove this recording, we have no recourse but to consider filing a joint suit against SPU.

Bob

On Sep 26, 2023, at 5:13 PM, Walsh, Sharon
<swalsh@shakopeeutilities.com> wrote:

Good afternoon!

I am following up from my email below, dated August 14th, regarding a response to the second ELWM deed recording associated with your property. The September 30th due date is fast approaching and currently we have not received any written responses requesting we do not enter a second recording on your property deed (see below).

If anyone is opposed to having this second recording filed on your property deed, we need to hear from you.

To all Hillwood Drive Customers,

Ms. Walsh has shared various communications sent to staff from Mr. Stark on behalf of the Hillwood Drive Customers. Because these communications raise questions related to policy decisions made by the Shakopee Public Utilities Commission (SPU Commission), I felt the best course of action was to draft a direct response as President of the SPU Commission¹. There have been a variety of communications recently and I have done my best to extract what I perceive as the relevant questions from those communications.

Before addressing the questions, I want to make a few points.

First, I would like to thank the Hillwood Drive customers for approaching the Commission with your concerns. Your feedback has helped us improve the policy related to the equivalent lateral water main charges and led to the revision of Resolution 2023-02 via Resolution 2023-19 and Resolution 2023-20. Additionally, as a direct result of this process, the SPU Commission now has a formal and written appeals policy. Our hope is that such policy will result in a transparent and documented response to stakeholder appeals when such situations arise in the future.

Second, considering the multitude of active projects and assignments managed, I believe SPU staff have conducted themselves in a professional and responsive manner to concerns raised. In an effort to be responsible with rate payer funds, SPU operates with an effective staff who are currently in the process of implementing several large initiatives, which we hope will streamline operations and generate meaningful savings in operational costs for all ratepayers. Additionally, staff is constrained by the meeting schedule of the SPU Commission, which meets once per month. The result can be extended timelines to respond to requests, discuss objections, and finalize policy decisions.

Third, I believe the SPU Commission's overall goal since the topic of lateral water main connection charges was first brought before the current commission on November 17, 2022, has been to develop a balanced solution to address the needs, concerns, and impact to all stakeholders, while improving the communication and record keeping processes. I believe the end result, as documented in Resolution 2023-02, 2023-19 and 2023-20, is a policy that achieves a good balance across stakeholders and incorporates, as best possible, the input we have received from customers, staff comments, and legal counsel.

With the above in mind, I will attempt to directly answer some of the concerns posed in prior communications.² I am not going to address the original adoption of the charges

¹ I have not consulted with the other Commissioners in relation to this response. This response reflects my recollection and understanding. To the extent that any errors or omissions exist, the errors are my own.

² In reviewing past information and communications, I do believe the questions addressed below have been addressed previously. Hopefully, I am able to restate this prior information in a concise manner to provide a direct response to the questions.

assigned to Hillwood customers, except to state that I believe Resolution 815, which formalized the policy for lateral water main installation charges, and Resolution 851, which applied lateral water main charges to the Hillwood customers are legally valid resolutions.

1. Decision to record lateral connection charges against deeds.

As a point of clarification, the current SPU Commission did not approve the recording of Resolution 851 on the Hillwood Drive customers' property deeds. This recording occurred on June 1, 2018. As such, I cannot speak to that decision, which was made prior to the appointment of any of the current Commissioners.

What I can say is the decision to record resolutions on the deeds of impacted properties is not a unique policy to the equivalent later water main connection charges or Hillwood Drive customers. SPU policy is to currently record resolutions related to payment plans for water capacity charges, easements and phased looped water system agreements against property deeds.

In adopting Resolution 2023-02, the current SPU Commission also directed staff to record equivalent lateral water main connection charges on property deeds when utilizing Resolution 815 to determine equivalent lateral water main connection charges. The primary driver of this decision was to ensure that the charges were documented, and a clear record of the obligation was made in a publicly assessable system for reference by current and future property owners, SPU staff and SPU Commissioners.

2. Use of fee schedule instead of recording of charges against deeds.

Following the adoption of Resolution 2023-02 on January 1, 2023 and the subsequent communication provided to impacted property owners, the SPU Commission received extensive feedback and additional information. This included public comments, written requests from the Hillwood Drive and Jennifer Lane customers, and an in-person meeting with customers, SPU staff and two Commissioners. Additionally, the SPU Commission received information on how the City approaches similar fees and charges while receiving further information on the equivalent lateral water main charges and the relationship with the overall water system design criteria.

The Commission has discussed this topic several times and after considering the above, elected to modify the previously adopted policy with Resolution 2023-19 and Resolution 2023-20 and document the equivalent lateral water main charges on the SPU Fee Schedule published on the SPU website. As a result, for future property owners assigned equivalent lateral water main charges, these charges will not be recorded on the property owners' deeds. This brings the SPU practice for these water charges in line with the City's approach for sewer charges.

I personally have reservations about this approach. My primary reservation relates to the future sale of property and notification of potential buyers of the existence of the assigned connection charges. SPU staff has been directed to endeavor to notify buyers of impacted properties of connection charges if SPU is aware of relevant property transactions. This would occur after the transaction has closed, if SPU is aware at all that such a sale has occurred. The current policy does not ensure that prospective buyers are made aware of the existence of connection charges as listed in the SPU Fee Schedule. Instead, this approach relies on the disclosure process and current property owners identifying the existence of such connection charges to prospective buyers, even if current property owners believe these charges, which are only due upon connection to the SPU water system, will devalue their property and would require concessions to prospective buyers.

3. Purpose of second recording on deeds

The intent of the second recording on the deeds was two-fold. First, in response to concerns from Hillwood Drive and Jennifer Lane customers about the impact of the recordings on their property values, the SPU Commission sought to provide clarity and emphasize that the equivalent lateral water main connection charges were not due until the property connects to the SPU water system. Second, given the change in policy as to the posting location of current charges, the recording directs the reviewer to the SPU Fee Schedule posted on the SPU website, where the current equivalent lateral water main charge is updated annually.

4. Reason for not “terminating” initial recording

Because the existing recording and the proposed second recording reference Resolution 851, which established the equivalent lateral watermain charge related to Hillwood Drive customers, and Resolution 851 has not been terminated, we have been advised by legal counsel that any further action should be clear that Resolution 851— and any payment obligation – remains in effect. Furthermore, we were advised that, as a practical matter, even if a recording were added to the deed that the previous recording was “terminated,” this would likely have no material impact from a title perspective and may create confusion. The title reviewer, during the title review for any sale, would check to see if the recorded resolution and any payment obligation under that resolution was satisfied, if it had not been satisfied, this would likely raise a flag during the title review process.

Given these concerns, the SPU Commission does not plan to depart from its prior decisions as to the second recording on property deeds.

I hope the above responses are sufficiently detailed and even if you do not agree with the direction or decision made, you better understand the reasons various decisions have been made by the SPU Commission.

Staff has prepared the second recordings, which I have attached for your reference. We are also currently beyond the date provided by SPU staff to indicate if you do *not* desire the second recording be applied to your property deed. Having received no written responses to date declining this action, the second recording on your property deeds will be completed the week of November 13, 2023.

Finally, I intend to seek direction from the SPU Commission to staff, at our upcoming November 6th Commission meeting, to not spend further time on this matter, except to notify the SPU Commission of information as necessary. Should any further communications on the topic of the recordings be warranted, I request they be addressed through the Public Comment Period of upcoming Commission meetings, as is standard protocol, or through legal representation as deemed appropriate by the Hillwood Drive customers.

A handwritten signature in black ink, appearing to read "Justin Krieg", is positioned above the typed name.

Regards,
Mr. Justin Krieg
SPU Commission President

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
October 2, 2023
Regular Meeting

1. Call to Order. President Krieg called the October 2, 2023 meeting of the Shakopee Public Utilities Commission to order at 5:00 P.M. President Krieg, Vice President Letourneau, Commissioner DuLaney, Commissioner Fox, and Commissioner Mocol were present.
2. Communications. Sharon Walsh, Director of Key Accounts/Marketing/ Special Projects noted that the packet included the emails received from Mr. Stark about the Equivalent Lateral Watermain charge. She also noted that since the packet was distributed, two additional emails were received and will be brought to the next meeting.
3. Consent Agenda. Greg Drent, General Manager, noted that because item 3i) Notice Regarding Equivalent Lateral Watermain Connection Charge was approved at the August 7, 2023 meeting, it should be removed. Commissioner Fox asked to pull item 3e) Nitrate Results – Advisory. Commissioner Mocol moved approval of the amended consent agenda: (3a) September 5, 2023 meeting minutes; (3b) October 2, 2023 agenda; (3c) October 2, 2023 warrant list; (3d) Monthly Water Dashboard for August 2023; (3f) MMPA September 2023 Meeting Update; (3g) Water Capacity Charge Payment Agreement Template; and (3h) Lusignan Parcel at 3650 Eagle Creek Boulevard Closing. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None. For item 3e, Commissioner Fox asked about the increased nitrates for Well 21. Lon Schemel, Water Superintendent, noted the higher draws this summer and that staff will continue to monitor and, if needed, test more frequently. Commissioner Fox moved to approve (3e) Nitrate Results – Advisory. Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.
4. Public Comment Period. No public comments were offered.
5. Liaison Report. Commissioner DuLaney noted that the City approved Res #2023-102, which is related to the East Shakopee Substation Site. He asked about rebates for smart thermostats. Mr. Drent noted that SPU used to have a SMART Switch program, but it was discontinued because it cost more than the savings. Further review may be done after the AMI project provides more data from the system.
6. Water System Operations Report. Mr. Schemel reported that six water employees attended the American Water Works Conference in Duluth. He noted that SPU customers have achieved 50% compliance with the back flow prevention testing. Mr. Schemel noted that a vendor-generated second notice used stronger language. This topic will be discussed at the work session in January, along with potential late fees and non-compliance items.
7. Electric Report. Brad Carlson, Electric Superintendent, reported two outages, which were not significant, since the last Commission meeting. He discussed construction projects, including

lowering a portion of Circuit 96 and undergrounding at Emblem and at Valley Crest 3rd. He reported relay testing at the West Shakopee Substation and that energizing is expected in November. He noted that the Water and Electric Departments assisted with irrigation service for a community garden.

8. 2024 Wage Ranges and Benefit Planning Assumptions. Kelley Willemssen, Director of Finance and Administration, presented the 2024 budget process, including information gathered, timelines, benefits review, and proposed wage ranges increase of 4%. Commissioner Fox moved to approve the 2024 Wage Ranges and Benefit Planning Assumptions. Commissioner DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

9. Marketing/Key Accounts Report. Ms. Walsh gave an update on the AMI project, noting that the enhanced field network has been completed and training can move forward. She noted upcoming community events, including the Chamber Shako Lantern event and the City's Spooky Family Fun event. She thanked line workers Justin Rotert and Matt Griebel for attending the SACS community event.

10. AMI Customer Opt-Out Policy Options. Ms. Walsh provided an update, including that further research has not revealed AMI opt-out rates above one percent, as well as FCC and other guidance. She noted that an opt-out would require a manual read of meters and a return to paper readings. Ms. Walsh explained that staff recommended no opt-out for electric meters and an opt-out option for internal water ERTs to external meters; this approach would provide customers with an option but avoid an expensive, antiquated, and manual process, as well as additional costs to SPU or its customers. The Commission discussed this approach as a helpful compromise. Commissioner Fox asked whether the policy should be phrased differently than "opt out." Commissioner Fox moved to table this item until the November 6, 2023 Commission meeting to allow revisions to the language. Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

11. General Manager Report. Mr. Drent provided an update, including that FR Secure Risk Assessment is preparing its report, that closing for 3650 Eagle Creek Blvd occurred on September 18, the Hansen Avenue and Maras Street property is expected to close in early November, and the 3690 Eagle Creek Blvd property will likely be discussed at the next meeting. He noted that SPU's RP3 application has been submitted. Mr. Drent also noted that information has been requested for labor negotiations with the designated union representative for the electric department.

12. Adjourn. Motion by Commissioner Mocol, seconded by Commissioner Fox, to adjourn. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

Greg Drent, Commission Secretary

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
Regular Meeting
November 6, 2023
at 5:00 PM

1. **Call to Order** at 5:00pm in the SPU Service Center, 255 Sarazin Street
 - 1a) Roll Call (JK)
 2. **Communications**
 - 2a) Customer Communications Received – ELWM (SW)
 3. **Consent Agenda**
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 - C=> 3f) Health Partners Multiyear Health Plan Agreement (GD)
 - C=> 3g) AMI Opt-Out Language for Water ERT's (SW)
 - C=> 3h) Res# 2023-26 Resolution Setting the Amount of the Trunk Water Charge, Approving of its Collection and Authorizing Water Service to Certain Property Described as Lot 1, Block 1, Patch 1 (JA)
 - C=> 3i) Res# 2023-27 Resolution Approving of the Estimated Cost of Pipe Oversizing on the Watermain Project: River Valley Business Park (JA)
 - C=> 3j) Res# 2023-28 Resolution Approving Payment for the Pipe Oversizing Cost on the Watermain Project: River Valley Business Park (JA)
 - C=> 3k) Res# 2023-29 Resolution Setting the Amount of the Trunk Water Charge, Approving of its Collection and Authorizing Water Service to Certain Property Described as KWS (Betaseed) (JA)
 - C=> 3l) Res# 2023-30 Resolution Determining the Final Lateral Water Main Equivalency, Described as: CP17-31, Marshall Road (JA)
 4. **Public Comment Period.** Please step up to the table and state your name and address for the record.
 5. **Liaison Report** (JD)
 6. **Reports: Water Items**
 - 6a) Water System Operations Report – Verbal (LS)
 7. **Reports: Electric Items**
 - 7a) Electric System Operations Report – Verbal (BC)
 8. **Reports: General**
 - 8a) Marketing/Key Accounts Report – Verbal (SW)
 - 8b) General Manager Report – Verbal (GD)
 - 8c) Semi-Final Capital Improvement Plan for 2024-2028 (JA)
 - 8d) 2024 Preliminary Budget and Cash Flows (KW)
 - 8e) East Shakopee Substation First Amendment to Purchase Agreement (JA)
 - 8f) General Manager Performance Evaluation (JK) *
- **A portion of this meeting may be closed under Minnesota Statutes, Section 13D.05, subd.3(a) to evaluate the performance of the General Manager.**
9. **Items for Future Agendas**
 10. **Tentative Dates for Upcoming Meetings**
 - November 20, 2023 Workshop
 - December 4, 2023
 11. **Adjournment**

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

November 6, 2023

By direction of the Shakopee Public Utilities Commission, the Secretary does hereby authorize the following warrants drawn upon the Treasury of Shakopee Public Utilities Commission:

WEEK OF 09/29/2023

ALTEC INDUSTRIES INC	2,022.16	WIRE STRIPPER/CUTTER/KNIFE
APPLE FORD OF SHAKOPEE	\$275.26	ELECTRIC TRUCK #610
ARROW ACE HARDWARE	\$46.89	COUPLING
BARR ENGINEERING CO.	\$31,635.66	WO#2683 WATER TANK 9
BORDER STATES ELECTRIC SUPPLY	\$25,388.31	COMM TESTER MAINT/SEC MGR
ANDREW BRODEN	\$200.00	IRRIGATION CONTROLLERS REBATE
CITY OF SHAKOPEE	\$318,000.00	SEPT 2023 PILOT TRF FEE
CITY OF SHAKOPEE	\$1,080.04	SEPT 2023 SD / SPU PROPERTIES
FASTENAL IND & CONST SUPPLIES	\$164.28	DRILL BIT/HEX LAG/FENDER
FERGUSON US HOLDINGS, INC.	\$316.56	WIRE
MARINDA GAY	\$500.00	ENERGY EFFICIENT HEATING/COOLING REBATE
GOODIN COMPANY	\$122.11	FREIGHT FROM PO10722 NOT CHARGED INITIAL
GRAINGER INC	\$703.56	SAFETY SIGN ALUM
DAVID HAGEN	\$509.94	PER DIEM AWWA DULUTH/REIMB MILEAGE
JACKLYN HANSON	\$276.50	PER DIEM AWWA CONF DULUTH 9/2023
HAWKINS INC	\$11,286.45	HYDROFLOUSLIC ACID/CHLORINE
IRBY - STUART C IRBY CO	\$2,478.32	KIT SLEEVE CLASS 2
KATAMA TECHNOLOGIES, INC.	\$1,218.75	WO#2472 AMI GENERAL CONSULTING
MIKE KELLY	\$500.00	ENERGY EFFICIENT HEATING/COOLING REBATE
LARKSTUR ENGINEERING, INC	\$522.22	TRENCHER PARTS
CINDY MENKE	\$325.10	PER DIEM NISC CONF 9/2023/REIMB MILEAGE
MINN VALLEY TESTING LABS INC	\$158.40	COLIFORM
MN DEPT OF HEALTH	\$29,820.13	3RD QTR 2023 COMM WATER SUPPLY CONN FEE
TONY MYERS	\$509.94	PER DIEM AWWA DULUTH 9/2023/REIMB MILEAG
ANANDKUMAR NAGULSAMY	\$105.00	ENERGY EFFICIENT REFRIGERATOR REBATE
NAPA AUTO PARTS	\$109.99	SNAP RING, GAUGE, SEAL TAPE-ELECTRIC
NATIONAL CONDUCTOR CONSTRUCTORS LLC	\$180,939.60	WO#2483 W SUBSTATION CONST.
NCPERS GROUP LIFE INS.	\$192.00	SEPT PREMIUMS/CHARGE MONTH
GERRY NEVILLE	\$108.73	REIMBURSE 166 MILES
CINDY NICKOLAY	\$96.94	REIMBURSE 148 MILES
RESCO	\$118.25	FUSE LINK
LON SCHEMEL	\$909.45	REIMB FOR HOTEL ROOM AWWA DULUTH
SCOTT COUNTY GOVERNMENT CENTER	\$87.00	PROPERTY ID# 275120590
DAN SKARIE	\$350.00	ENERGY EFFICIENT HEATING/COOLING REBATE
STINSON LLP	\$6,109.00	LABOR/UNION MATTERS
KEN STUBBE	\$500.00	ENERGY EFFICIENT HEATING/COOLING REBATE
GREG TRIPLETT	\$118.55	REIMBURSE 181 MILES
MICHAEL VOURLOS	\$200.50	PER DIEM NISC CONF 9/2023
WESCO RECEIVABLES CORP.	\$899.68	BRONZE VISE CONN
WSB & ASSOCIATES INC.	\$5,500.50	WO#2581 P.H. #23
DELTA DENTAL PLAN OF MN	\$5,792.19	SEPT DENTAL PREMIUMS/CHRG MONTH
FURTHER - ACH	\$230.50	SEPT ADMIN FEES/SEPT CHRG MONTH
MINNESOTA LIFE	\$1,207.53	SEPT PREMIUMS/CHRG MONTH
ZAYO GROUP, LLC	\$2,654.64	AUGUST T1 LINE, S SUB, PIKE LAKE
PRINCIPAL LIFE INS. COMPANY	\$4,009.88	SEPT. PREMIUMS AND CHARGE MONTH L.T.D.

Total Week of 09/29/2023**\$638,300.51**

WEEK OF 10/06/2023

AAR BUILDING SERVICE CO.	\$4,173.19	OCTOBER CLEANING
ALTEC INDUSTRIES INC	\$50.65	WIRE ROPE
AMERICAN WATER WORKS ASSOCIATION	\$233.00	ANNUAL MEMBERSHIP TONY MYERS #03441065
BORDER STATES ELECTRIC SUPPLY	\$80,822.51	624 QTR WATER METERS
CALIBER COLLISION	\$5,534.05	WATER TRK #652 REPAIR
BRADLEY CARLSON	\$466.56	PER DIEM NASHVILLE CONF/REIMB MILEAGE
CITY OF PRIOR LAKE	\$669.00	3RD QTR 2023 FRANCHISE FEES
CITY OF SHAKOPEE	\$536,531.97	SEPT SW \$425803.42 / SD \$110,728.55
DARYL CLARKE	\$350.00	ENERGY STAR COOLING/HEATING REBATE
COLUMBIA MINNESOTA VALLEY PRK IND, LLC	\$12,250.00	INTERIOR LIGHTING REBATE
CORE & MAIN LP	\$15,938.49	METERS
BILL CRAWFORD	\$175.00	ENERGY STAR CLOTHES WASHER REBATE
D R HORTON	\$5,027.46	WO#2537 WINDERMERE S 5TH ADDB WM PLAN
JAMES DONALD	\$500.00	ENERGY STAR COOLING/HEATING REBATE
DSI/LSI	\$445.11	OCTOBER GARBAGE
EMERGENCY AUTOMOTIVE TECHNOLOGIES I	\$337.00	SEAT/COVER
MIKE ENRIGHT	\$209.95	REIMBURSE WORK BOOTS
FERGUSON US HOLDINGS, INC.	\$3,450.75	GASKET,PLUG,TUBE SEAL(WATER)
FRSECURE LLC	\$7,230.00	RISK ASSESSMENT L2
GRAINGER INC	\$699.89	UG RED/BLACK TAPE
DAVID GRATZ	\$50.00	WATER SENSE TOILET REBATE
BRAD GUSTAFSON	\$214.59	REIMBURSE FOR WORK BOOTS
HENNEN'S AUTO SERVICE INC.	\$527.93	2018 FORD F150 FRONT BEARINGS
CRAIG HERMANN	\$75.00	ENERGY STAR REFRIGERATOR REBATE
MARK HUSS	\$500.00	ENERGY STAR COOLING/HEATING REBATE
INNOVATIVE OFFICE SOLUTIONS LLC	\$584.26	OFFICE SUPPLIES
IRBY - STUART C IRBY CO	\$2,397.27	15 LOAD BREAK CUTOUTS/CM #S013705066,002
JT SERVICES	\$454.27	LABELS
K-LINE INSULATORS USA, INC.	\$1,049.42	PHASE SPACER W/ K-CLAMPS
MATTHEW KAHLE	\$386.40	PER DIEM NASHVILLE CONF/REIMB MILEAGE
KEVIN KASMISKIE	\$350.00	ENERGY STAR COOLING/HEATING REBATE
JERON KLEINFELN	\$175.00	ENERGY STAR CLOTHES WASHER REBATE
LINK LUMBER	\$198.41	WO#2656 LUMBER (WATER)
LLOYD'S CONST SERVICES	\$407.50	DEMO & CONSTRUCTION
LOCATORS & SUPPLIES INC	\$602.76	WHITE POLE/RED REFLECT STRIPS
CINDY MENKE	\$91.20	REIMBURSE CAKE RETIRMENT T.HANGAARD
MINN VALLEY TESTING LABS INC	\$410.30	COLIFORM
MN CHLD SUPPORT PAYMENT CENTER	\$564.37	CHLD SUPPORT ID:#0014422969 PE: 9/29/23
MRA-THE MANAGEMENT ASSOCIATION	\$40.00	BACKGROUND CHECK
SHAUN MYROLD	\$150.00	ENERGY STAR DISHWASHER REBATE
NAPA AUTO PARTS	\$25.47	LED TEST 7 BLADE
NCPERS GROUP LIFE INS.	\$192.00	OCT, PREMIUMS
GERRY NEVILLE	\$85.15	REIMBURSE 130 MILES
CINDY NICKOLAY	\$95.63	REIMBURSE 146 MILES
JENNIFER PAUL	\$500.00	ENERGY STAR COOLING/HEATING REBATE
SAVITA PERSAUD	\$350.00	ENERGY STAR COOLING/HEATING REBATE
PLUNKETT'S PEST CONT, INC.	\$152.54	GENERAL PEST CONTROL P.H.#4
POMP'S TIRE SERVICE INC	\$42.40	WATER TRUCK#630
PRIORITY 1 OUTDOORS INC.	\$1,390.00	WINTERIZATION PH.'S,RV BOOSTER
PULTE HOMES	\$3,693.22	WO#2645 CANTERBURY CROSS 2ND WM PLAN REV
RESCO	\$3,890.31	FEED THRU
MAYUR N SHUKLA	\$500.00	ENERGY STAR COOLING/HEATING REBATE
ROBERT SPECHTENHAUSER	\$350.00	ENERGY STAR COOLING/HEATING REBATE
JARED SUTER	\$350.00	ENERGY STAR COOLING/HEATING REBATE
GREG TRIPLETT	\$94.32	REIMBURSE 144 MILES
VERIZON WIRELESS	\$3,330.90	SEPTEMBER CELL PHONE BILL
JAMIE VON BANK	\$498.57	PER DIEM NASHVILLE CONF/REIMB MILEAGE
MICHAEL VOURLLOS	\$28.75	REIMBURSE PRIORITY EXPRESS WATER REPAIR
SCOTT WILTS	\$200.00	REISSUE LOST REBATE CHECK#58990 7/6/21
XCEL ENERGY	\$5,509.27	GAS USAGE VALLEY PARK 8/25-9/21
FURTHER - ACH	\$497.71	HSA ACCT. EE DED. FOR PE: 9/29/23
ZAYO GROUP, LLC	\$2,694.58	TI LINE, S SUB, PIKE LAKE SEPT ACH 10/2
HEALTHPARTNERS	\$74,219.41	OCT. INV. SEPT. CHARGE MONTH
PAYROLL DIRECT DEPOSIT 10.06.23	\$129,586.91	
BENEFITS & TAXES FOR 10.06.23	\$137,931.68	

Total Week of 10/06/2023

\$1,050,532.08

WEEK OF 10/13/2023

CREDIT REFUNDS	\$5,864.22 CREDIT REFUNDS
ABDO LLP	\$14,370.00 SEPT FS ACCOUNTING 2024 SERVICES
KATIE J ADAMS	\$115.27 REIMBURSE MILEAGE 3RD QTR 2023
AMERICAN ENGINEERING TESTING INC	\$3,025.90 WO#2376 E SHAKO SUB
ARROW ACE HARDWARE	\$21.63 EYE BOLT (WATER)
BIRDS LAWN CARE LLC	\$3,714.00 SEPTEMBER LWN CARE
BOLTON & MENK INC	\$1,498.00 WO#2568 WESTEND WM PROJECT TO CR69
BORDER STATES ELECTRIC SUPPLY	\$400,550.52 FORM 2S, CL320, 240V
MARY BRIGNAC	\$500.00 ENERGY STAR COOLING/HEATING REBATE
DAVID BURGER	\$700.00 ENERGY STAR COOLING/HEATING REBATE
CHOICE ELECTRIC INC	\$897.38 WO2725 RELOC PHONE/DATA LINE GD'S OFFICE
CITY OF SHAKOPEE	\$6,382.45 SEPTEMBER FUEL
DAILY PRINTING, INC.	\$76.77 BUSINESS CARDS FOR REID LARSON
DAKOTA SUPPLY GROUP	\$3,666.98 CURB/VALVE BOX
ELECTRICAL PRODUCTION SERVICES	\$19,874.00 WO#2803 FIBERWARE(AMI/SCADA)
EMERGENCY AUTOMOTIVE TECHNOLOGIES I	\$107.00 WO#2679 CENTER CONSOLE COVER 2022 F250
JAMES FIELDSETH	\$150.00 ENERGY STAR DISHWASHER REBATE
SUSAN FISHER	\$179.99 IRRIGATION CONTROLLERS REBATE
FLYTE HCM LLC	\$56.00 SEPTEMBER COBRA
GOPHER STATE ONE-CALL	\$1,119.15 SEPTEMBER TICKETS
GRAINGER INC	\$192.58 BATTERIES
GRAYBAR ELECTRIC COMPANY INC	\$62,830.04 PIPE
HAWKINS INC	\$7,799.57 CHLORINE CYLINDERS
INNOVATIVE OFFICE SOLUTIONS LLC	\$441.59 SOAP/TISSUE
INTEGRATED PROCESS SOLUTIONS, INC	\$476.44 THERMOSTATS
IRBY - STUART C IRBY CO	\$14,439.89 SOCKET PREWIRED
IRBY TOOLS - STUART C IRBY CO	\$1,316.72 GLOVE TESTING
JT SERVICES	\$2,585.18 LABELS
JACLEEN KEDROWSKI	\$350.00 ENERGY STAR COOLING/HEATING REBATE
LLOYD'S CONST SERVICES	\$519.50 30 YD DEMO & CONSTRUCTION
LOFFLER COMPANIES - 131511	\$1,492.43 CONTRACT MAINT AGREEMENT 10.1.23-12.31.2
PAUL MALLON	\$500.00 ENERGY STAR COOLING/HEATING REBATE
DAN & SARA MARAS	\$500.00 ENERGY STAR COOLING/HEATING REBATE
MATT ANDERSON CONSTRUCTION LLC	\$6,000.00 REMOVE/DISPOSE DOOR @ P.H. #2
MCGRANN SHEA CARNIVAL	\$17,515.00 GEN MUNICIPAL REG MATTERS(WATER)
ROMAN MEUWISSEN	\$80.00 PVB TESTING REFUND
MGX EQUIPMENT SERVICES, LLC	\$3,021.88 WO#2679 FULL SIZE GULL WING
MICHELS UTILITY SERVICES	\$10,521.26 WO#2745 TRENCHING
MID AMERICA METER INC	\$190.00 SHOP TEST PD/TURBINE (WATER)
MIDWEST SAFETY COUNS, INC.	\$249.35 SAFETY GLOVES(ELECT)
MINN VALLEY TESTING LABS INC	\$71.50 NITRATES
MMUA	\$735.00 2023 DRUG/ALCOHOL RANDOM TESTING
NAGEL COMPANIES LLC	\$4,780.00 WO#2791 BORING
NAPA AUTO PARTS	\$15.98 MAC EELCTRIC CLEAN (E)
GERRY NEVILLE	\$126.41 REIMBURSE 193 MILES
NJSC	\$31,879.37 SEPTEMBER PRINT SERVICES
NORTHERN STATES POWER CO	\$4,938.23 SEPTEMBER POWER BILL
NPL CONSTRUCTION COMPANY	\$7,112.34 WO#2602 EMBLEM AT SHAKOPEE
ORACLE AMERICA INC.	\$37,912.03 Q3 2023 OPOWER ANNUAL CONTRACT
LOIS RADEMACHER	\$80.00 PVB TESTING REFUND
RESCO	\$51,926.67 1 TRANSFORMER 3PH PAD
ALEX ROSS	\$500.00 ENERGY STAR COOLING/HEATING REBATE
SCHILZ ORNAMENTAL IRON INC	\$245.00 WO#2679 CURBSTOP WRENCH (W)
BRANDON SCHWARTZ	\$475.00 CROSS CONNECTION CERTIFICATION
SCOTT COUNTY RECORDERS	\$92.00 WO#2805 EASEMENT WHEELS & DEALS
SHAKOPEE 1ST PRESBYTERIAN CHURCH	\$64.09 REFUND HYDRANT METER RETURN
SHAKOPEE CHEVROLET	\$646.65 WATER TRUCK#626 REPAIR
SHORT ELLIOTT HENDRICKSON INC	\$9,144.61 WO#2634 WATER QUALITY PLANNING
SOUTHWEST NEWS MEDIA	\$461.09 SEPTEMBER LEGALS/MINUTES
STATE OF MINNESOTA-MNIT SERVICES	\$734.01 SEPTEMBER WAN MONTHLY SERVICE
SULLIVAN HAZELTINE ALLINSON LLC	\$2,104.50 CYXTERA TECH INV CASE NO 23-14853 (JKS)
GREG TRIPLETT	\$100.87 REIMBURSE 154 MILES
UNITED SYSTEMS & SOFTWARE INC	\$15,680.27 ITRON
MICHAEL VOURLOS	\$19.78 REIMBURSE MILEAGE FOR 3RD QTR 2023
WESCO RECEIVABLES CORP.	\$14,412.77 15KV 200A LB 4PT
SCOTT WHITEHEAD	\$80.00 PVB TESTING REFUND
KELLEY WILLEMSEN	\$469.84 DER DIEM ALEXANDIA MN/REIMB MILEAGE
WSB & ASSOCIATES INC.	\$45.75 WO#2376 EAST SHAKOPEE SUBSTATION SITE
AMERICAN NATL BANK_MASTERCARD_ACH	\$11,557.61 SEPTEMBER CC STMT
CENTERPOINT ENERGY - ACH	\$411.68 GAS USUAGE 255 SARAZIN 9/7-10/6 2023
MMPA C/O AVANT ENERGY	\$4,108,721.05 SEPTEMBER POWER BILL
MN DEPT OF REVENUE ACH PAYMENTS	\$402,030.00 SEPTEMBER 2023 SALES & USE TAX PAYABLE

Total Week of 10/13/2023

\$5,301,464.79

WEEK OF 10/20/2023

ANNETTE STANEK
DOUGLAS BITTNER
BORDER STATES ELECTRIC SUPPLY
JOAN BREID
CHOICE ELECTRIC INC
COMCAST CABLE COMM INC.
CORE & MAIN LP
PAUL DYKEMA
EZ-SPOT-UR
FLYTE HCM LLC
FRANZ REPROGRAPHICS, INC.
FRONTIER ENERGY, INC.
JAIME GROSSMAN
DAVID HAGEN
MARY HERNANDEZ
JOHN HENRY FOSTER MINNESOTA INC.
LEAGUE OF MINN CITIES INS TRUST
CHRIS LINDSLEY
NATIONAL CONDUCTOR CONSTRUCTORS LLC
GERRY NEVILLE
CINDY NICKOLAY
PRECISION UTILITIES
PWS
RACHEL CONTRACTING, INC.
RYAN HALVERSON
SCOTT COUNTY TREASURER
DALE TELLERS
GREG TRIPLETT
VERIZON
VERIZON WIRELESS
MN CHILD SUPPORT PAYMENT CENTER
FURTHER - ACH
PAYROLL DIRECT DEPOSIT 10.20.23
BENEFITS & TAXES FOR 10.20.23

\$550.00 SPU 23/24 COLD WEATHER RULE BROCHURE
\$500.00 ENERGY STAR COOLING/HEATING REBATE
\$3,652.96 ISM,LICENSE FOR 500S INS MODULES
\$150.00 ENERGY STAR DISHWASHER REBATE
\$140.00 REPLACE RELAY IN CHLORINE CABINET
\$2.27 BREAKROOM CABLES
\$12,504.99 METERS
\$150.00 ENERGY STAR DISHWASHER REBATE
\$62.43 TOOL WIRING HARNESS
\$150.00 COBRA SVC RENEWAL JAN 2024
\$379.84 REPAIR
\$5,819.08 SEPT 2023 PROF SVCS C&I IMPLANTATION
\$175.00 ENERGY STAR CLOTHES WASHER REBATE
\$250.99 PER DIEM ST CLOUD MRWA/REIMB MILEAGE
\$200.00 ENERGY EFFICIENT COOLING/HEATING REBATE
\$1,109.83 JHF MAINT CONTRACT 10/1/23-3/31/24
\$226.28 CLAIM #00493943 (WATER DEPT)
\$325.00 ENERGY STAR CLOTHES WASHER REBATE
\$102,049.56 WO#2483 WEST SHAKO SUB PYMT#8
\$150.65 REIMBURSE 230 MILES
\$97.81 REIMBURSE 85 MILES
\$11,400.00 WO#2809 INSTALL WATER SVC
\$843.54 HYDRANT MTR RET DEPOSIT REFUND 22061408
\$689.18 HYDRANT MTR RET DEPOSIT REFUND 70148961
\$509.68 PER DIEM DULUTH MN/REIMB MILEAGE
\$2,100.00 OCTOBER MONTHLY FIBER CHARGE
\$105.00 ENERGY STAR REFRIGERATOR REBATE
\$128.38 REIMBURSE 196 MILES
\$625.70 SEPT TRUCK TRACKING
\$106.87 9/6-10/5 2023 BILLING
\$564.37 CHILD SUPPORT CASE:001422536402
\$192.31 DAYCARE FLEX CLAIM REIMB
126,498.97
120,431.81

Total Week of 10/20/2023

\$392,842.50

WEEK OF 10/27/2023

AMERICAN WATER WORKS ASSOCIATION	\$79.00	MEMBERSHIP RENEW D HAGEN 1/1/24-12/31/24
APPLE FORD OF SHAKOPEE	\$119.87	OIL CHANGE ELECTRIC TRK
ARAMARK REFRESHMENT SERVICES INC	\$387.09	COFFEE/HOT CHOCOLATE
ARROW ACE HARDWARE	\$8.23	RUST ENAMEL (ELEC)
B & B TRANSFORMER INC	\$105,475.00	23 - 25 PAD RM'S
BARNUM GATE SERVICES INC	\$1,790.64	PHOTO EYE KIT EE ENTRY GATE SPU
JEREMY BENZ	\$500.00	ENERGY EFFICIENT COOLING/HEATING REBATE
JAY T BERKEN	\$261.32	PER DIEM PALM SPRINGS CA OCT 2023 CONFERENCE
BOLTON & MENK INC.	\$405.00	WO#2568 W END LOWER BLUFF TRUNK WM
BORDER STATES ELECTRIC SUPPLY	\$125,296.68	WIRE#2;CONNECTOR,DEADEND;3"PVC PIPE;FORM 2S
CHOICE ELECTRIC INC	\$1,287.64	WO #2803 INSTALL QUAD RECEP(WATER)
CITY OF SHAKOPEE	\$318,000.00	OCTOBER 2023 PILOT TRF FEE
CITY OF SHAKOPEE	\$1,080.04	OCTOBER 2023 STORM DRAIN/SPU PROPERTIES
CUSTOMER CONTACT SERVICES	\$483.31	OCTOBER ANSWERING SVC 10/17-11/13
DGR ENGINEERING	\$603.42	WO#2612 SEPT PROF SERVICES
PHILIP DUBBE	\$410.40	PER DIEM PALM SPRINGS CA 10/2023 CONFERENCE
FERGUSON US HOLDINGS, INC.	\$29.75	5LB DRYTECH GRAN CHLR (WATER)
FRONTIER ENERGY, INC.	\$2,000.00	SEPT PROF SERVICES
GRAYBAR ELECTRIC COMPANY INC	\$75,436.51	MATERIAL-CONDUIT/PVC/BALL END
DUSTIN HACHMANN	\$350.00	ENERGY EFFICIENT COOLING/HEATING REBATE
HENNEN'S AUTO SERVICE INC.	\$89.25	ELECTRIC TRK#613 OIL CHANGE
INNOVATIVE OFFICE SOLUTIONS	\$424.84	TONER
IRBY - STUART C IRBY CO	\$5,858.59	TAPE DUCT SILVER
KATAMA TECHNOLOGIES, INC.	\$1,687.50	WO#2472 GEN. CONSULTING FEES AMI
KURITA AMERICAN INC.	\$8,401.00	INTERIOR LIGHTING REBATE PROJ 1140
ARPAN MEHTA	\$161.99	REISSUE LOST CHECK #66176 FROM 8.11.23
MINN VALLEY TESTING LABS INC	\$865.48	NITRATES
MMUA	\$2,800.00	TECHNICAL/OPERCONF 12/2023 ST CLOUD MN
MN DEPT OF COMMERCE	\$5,722.41	ESCHEATS ON 10/10/2023
MN ROADWAYS	\$3,905.00	INFARED THERMAL PATCH GATES VALAVES (W)
GERRY NEVILLE	\$25.54	REIMBURSE 39 MILES
CINDY NICKOLAY	\$97.59	REIMBURSE 149 MILES
POWERPLAN BF	\$651.84	VERMEER HOSE
PRECISION UTILITIES	\$595.00	WO#2809 CAMERA/INSPECT SVC CALL
SID PRIYADARSHI	\$125.10	IRRIGATION CONTROLLERS REBATE
PRO STAR ENERGY SOLUTIONS, LP	\$4,832.00	INTERIOR LIGHTING REBATE #128459001
LARRY RADEMACHER	\$500.00	ENERGY EFFICIENT COOLING/HEATING REBATE
CHINTAKA RANASINGHE	\$500.00	ENERGY EFFICIENT COOLING/HEATING REBATE
RESCO	\$213,256.72	CLAMP HOT LINE
RODNEY SCHOENFELDER	\$150.00	ENERGY STAR DISHWASHER REBATE
MATT SCHWARZ	\$500.00	ENERGY EFFICIENT COOLING/HEATING REBATE
SCOTT COUNTY TREASURER	\$486.00	PERMIT #U122-2023 UID #17817
SHORT ELLIOTT HENDRICKSON INC	\$32,966.80	WO2734, 2733, 2785, 2715, 2761
STINSON LLP	\$5,656.50	LABOR MATTERS SEPT 2023
NANCY SWENSON	\$20.00	ENERGY EFFICIENT LED REBATE
GREG TRIPLETT	\$130.34	REIMBURSE 199 MILES
UPS STORE # 4009	\$17.07	OIL SAMPLES SENT OUT TO T&R
WESCO RECEIVABLES CORP.	\$2,451.37	FLAWGUY WIRE
FURTHER - ACH	\$52.17	MEDICAL CLAIM REIMBURSEMENT

Total Week of 10/27/2023

\$926,934.00

Grand Total

\$8,310,073.88

Kelley Willemssen

Presented for approval by: Director of Finance & Administration

Approved by General Manager

Approved by Commission President

Monthly Water Dashboard

As of: September 2023

Shakopee Public Utilities Commission

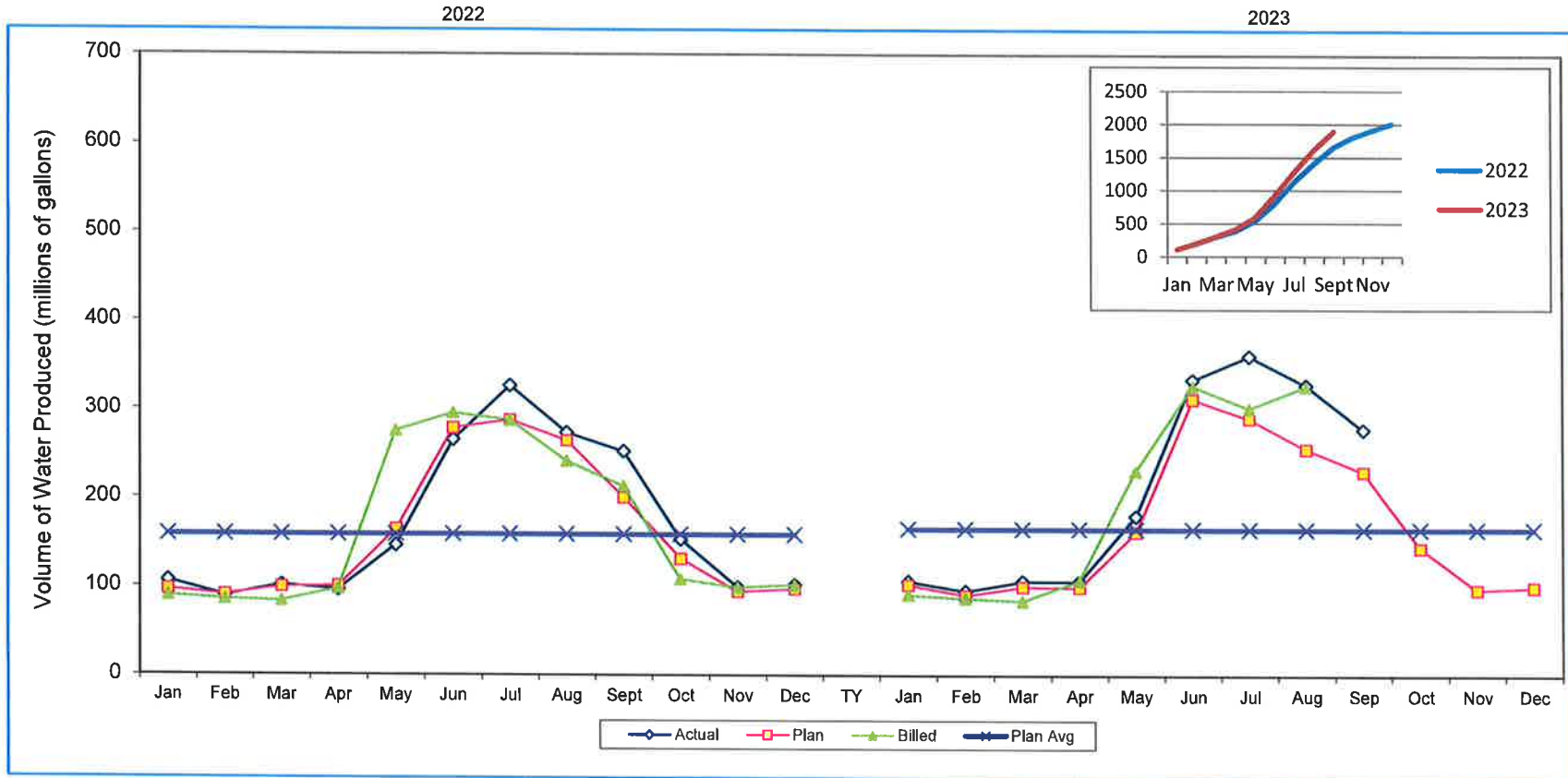
ALL VALUES IN MILLIONS OF GALLONS

Element/Measure

Water Pumped/Metered

Monthly Avg	
2020	150
2021	173
2022	167

Last 6 months actuals	106	180	334	361	328	278
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LY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	TY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
	Actual	106	89	101	96	146	265	326	273	252	153	99		102		106	95	106	106	180	334	361	328	278		
Plan	96	90	99	100	164	278	287	264	200	131	94	97		102	90	100	99	162	312	290	256	230	144	97	100	
YTD % *															104%	105%	105%	106%	107%	107%	112%	115%	115%			
Billed	89	85	83	97	275	295	287	241	213	108	99	102		91	87	84	107	231	327	302	327					

* Actual gallons pumped vs. Plan



PO Box 470 • 255 Sarazin Street
Shakopee, Minnesota 55379
Main 952.445-1988 • Fax 952.445-7767
www.shakopeeutilities.com

To: SPU Commissioners
From: Greg Drent, General Manager 
Date: October 30, 2023
Subject: MMPA October 2023 Meeting Update

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on October 24, 2023, at Chaska City Hall in Chaska, Minnesota and via videoconference.

The Board reviewed the Agency's financial and operating performance for September 2023.

Customer penetration for the residential Clean Energy Choice program increased to 5.1%. There was an increase of 54 customers participating in the residential Clean Energy Choice program from August to September.


The Board discussed the current business environment.

The Board discussed the status of renewable projects the Agency is pursuing.

Thanks



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DATE: November 1, 2023
TO: SPU Commission
FROM: Greg Drent, General Manager 
SUBJECT: Health Partners Multiyear Health Plan Agreement

Background:

Annually we meet with Christensen Group to discuss our benefit plans and enrollment schedules for the upcoming renewal period. As you know, last year we were able to negotiate a multiyear agreement for 2023/2024 for medical coverage through Health Partners. The agreement included an eleven percent reduction for 2023 and a 0% increase for 2024.

On September 25th we had our annual meeting to discuss 2024 benefit plans and preparation for the enrollment process. Christensen Group was able to work with Health Partners again this year on a multiyear agreement for 2024/2025. The agreement includes a 0% increase for 2024 with a maximum increase for 2025 of 7%.

Attached is the multiyear health plan agreement for your review.

Requested Action

The commission is requested to approve the multiyear health plan agreement with Health Partners

Multiyear Health Plan Agreement

This AGREEMENT is made by and between HealthPartners, Inc. a Minnesota nonprofit corporation ("**HealthPartners**") and **Shakopee Public Utilities Commission** ("**Client**"), together "the Parties", and is effective as of January 1, 2024 ("Effective Date") ("the Agreement").

RECITALS

WHEREAS, the Parties desire to enter into a mutually beneficial long term relationship which will bring stability and predictability to the costs of providing high quality health care benefits to the Client's employees and dependents, and

WHEREAS, Client has released a request for proposal contemplating a multi-year agreement and HealthPartners has responded to such request ("Proposal"), and

WHEREAS, in exchange for such a long term relationship, HealthPartners is willing to offer guaranteed rates to Client and Client is willing to remain contracted with HealthPartners for the term of the Agreement and

WHEREAS, each Party has independently determined that this Agreement is in its best interests and each Party is committed to a successful implementation of the terms and conditions expressed in this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows;

ARTICLE 1 HEALTHPARTNERS DUTIES

- 1.1 **Plan Offering.** HealthPartners shall provide for the time period specified ("Plan Years"), the health plan coverage ("Product" or "Products") as described in the HealthPartners Proposal of September 22, 2023 under the terms of this Agreement. In the event a particular Product is no longer offered, a comparable Product in terms of benefit design will be offered upon renewal with appropriate actuarial values of any benefit changes applied to the Guaranteed Rates as described in Section 1.2.
- 1.2 **Guaranteed Rates.** HealthPartners guarantees, for the Plan Years described in the Proposal, the rates for all Products as follows, or the standard HealthPartners renewal calculation for all Products, whichever is more favorable to Client:

Table 1 Guaranteed Rates

	Plan Year 2024	Plan Year 2025
\$3500-100% E - Open Access		
Single	\$708.20	\$757.77
Single + Spouse	\$1,947.55	\$2,083.88
Single + Child(ren)	\$1,345.59	\$1,439.78
Family	\$2,160.01	\$2,311.21

- 1.3 **Adjustments.** Notwithstanding the above, the following exceptions and adjustments apply to the Guaranteed Rates described in Section 1.2:
- a. The actuarial value of any new or increased premium taxes, industry fees, excise taxes, research fees, or any other government or regulatory assessments, or other taxes as a result of any change in law or regulation, including but not limited to, the Affordable Care Act of 2010 or other state or federal health care reform legislation, shall result in a corresponding change to the Guaranteed Rates.
 - b. The actuarial value of any new or increased eligibility or benefit mandated by law or regulation or other change to Product features required by law shall result in a corresponding change to the Guaranteed Rates.
 - c. Any enrollment change of 10% or more from initial enrollment, whether due to expansion, merger, acquisition, sale, reduction in force or other reason, may result in a revision to the Guaranteed Rates, at the sole discretion of HealthPartners. If upon such enrollment change, HealthPartners revises the Guaranteed Rates for any Plan Year(s) the Client may terminate the Agreement and such termination will not be an Early Termination or Breach, by either Party, under Section 3.2. HealthPartners has no obligation to honor the revised guaranteed rates prepared for Client in response to the enrollment change. If the Client does not terminate the Agreement under this provision, then the Guaranteed Rates and Rate Differentials tables will be amended.

- 1.4 **Renewals.** HealthPartners shall release a standard renewal calculation prior to the end of each Plan Year.

ARTICLE II CLIENT DUTIES

- 2.1 **Sole Carrier.** Client shall remain directly contracted with HealthPartners on a fully insured basis as the sole carrier offered to any and all Client employees for any medical benefit offering, during the term of this Agreement.
- 2.2 **Master Group Contract.** This Agreement is subject to all the terms and conditions of the fully insured Master Group Contract issued separately upon acceptance of the Client's application for coverage.
- 2.3 **Contribution and Participation.** Client shall:
- a. maintain the current employer premium and fund contribution strategy,
 - b. maintain the current Product offerings. Plans with a benefit value within 5% of the current plan or plans' benefit value (determined using HealthPartners' value calculator) satisfy this Product maintenance requirement. Plan changes with a benefit value difference of 5% or less will be rated based on the value of such benefit change,
 - c. meet the current participation guidelines, and
 - d. fulfill HealthPartners coverage requirements of the Master Group Contract regarding Product offerings.
- 2.4 **Authority.** Client represents and warrants that it has full authority under law and its governance requirements to enter into this Agreement. By executing this Agreement below, Client intends for HealthPartners to rely on the authority of the signatory to this Agreement to bind the Client to the terms of this Agreement.

**ARTICLE III
TERM, TERMINATION AND BREACH**

- 3.1 **Term.** This Agreement applies to the Plan Years as shown in Section 1.2, for a total Guaranteed Rate period of 24 months.
- 3.2 **Early Termination or Breach.** In the event Client terminates this Agreement prior to the completion of the last Plan Year or fails to comply with any of the terms of this Agreement or the Master Group Contract described in Section 2.3, Client shall pay to HealthPartners the Rate Differentials as shown in Table 3 (i.e., the difference between the Guaranteed Rates of Table 1 and the Standard Rates of Table 2), times the last month's enrollment times the number of months remaining to the completion of the last Plan Year.

Table 2 Standard Rates

	Plan Year 2024	Plan Year 2025
\$3500-100% E - Open Access		
Single	\$793.18	\$848.70
Single + Spouse	\$2,181.26	\$2,333.95
Single + Child(ren)	\$1,507.06	\$1,612.55
Family	\$2,419.21	\$2,588.56

Table 3 Rate Differentials

	Plan Year 2024	Plan Year 2025
\$3500-100% E - Open Access		
Single	\$84.98	\$90.93
Single + Spouse	\$233.71	\$250.07
Single + Child(ren)	\$161.47	\$172.77
Family	\$259.20	\$277.35

- 3.3 **Group Size.** In the event federal or state law requires community rating for groups of a particular size and Client's group size falls within such parameters, upon the effective date of such change as applied to Client, this Agreement will be terminated and appropriate replacement products and rates will be offered, in accordance with current law.
- 3.4 **Waiver.** In the event state or federal law requires the Client to terminate this Agreement, HealthPartners may waive some or all of the Rate Differentials, in its sole discretion.

**ARTICLE IV
THIRD PARTIES**

4.1 **Client Due Diligence.** Client has received advice and counsel from a third party consultant, which the Client separately selected and retained, as part of its due diligence in the process of selecting a carrier for the Plan Years covered in this Agreement. Client acknowledges that such third party consultant is not an agent of HealthPartners and is an independent advisor not selected by HealthPartners.

**ARTICLE V
MISCELLANEOUS**

5.1 **Governing Law, Jurisdiction, and Venue:** This Agreement shall be governed by and interpreted under Minnesota law. Any lawsuit arising directly or indirectly out of this Agreement shall be brought in a court of competent jurisdiction located in the state of Minnesota.

Accepted and agreed to, with an Effective Date as noted first above

HealthPartners, Inc.

Signature Date

Tony Andersen
Vice President, Underwriting

Shakopee Public Utilities Commission

Signature Date

Name

Title



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 Shakopee, Minnesota 55379
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 www.shakopeeutilities.com

October 24, 2023

TO: Greg Drent, General Manager *GD*

FROM: Sharon Walsh, Director of Marketing, Key Accounts and Special Projects *SNW*

SUBJECT: AMI Opt-Out Language for Water ERT's

Overview

As a follow up to the October 2nd commission meeting, the following is recommended verbiage for AMI opt-out policy communications. Because we are only allowing customers to move the water RF device outside, not decline its installation, staff is proposing we state we have an "opt-outside" option for water ERTs. NOTE: We will not have an opt-out option for electric smart meters as all electric meters are already outside.

We will not promote our installation policies, but we must have policies in place and know how we will communicate or respond to customer questions, such as –

"What if I don't want a Smart Meter (AMI) meter installed?"

All SPU electric customers will receive a smart meter as part of our enhanced metering system upgrade. A non-communicating electric meter is not an option for reasons of overall system integrity and performance, customer benefits, billing and meter reading efficiencies, and administrative operational costs. SPU water customers have the option to select an 'opt-outside' installation of the water RF device but are responsible for any necessary professional service costs incurred. For more information and associated costs with this option, please contact our Customer Service staff at 952-445-1988 or see "What is an Opt-Outside Installation?"

"What is an Opt-Outside Installation?"

The water meter inside your home requires an ERT (Encoder/Receiver/Transmitter) to talk to the smart electric meter. Data from the water meter is sent to the electric meter and then back to SPU. The ERT is a low-frequency RF device (that transmits less radio frequency transmission waves than other RF devices within your home, such as baby monitors, microwaves, wi-fi or your cellphone) and is installed in your basement near your water meter by SPU or SPU-approved installers.

If you are opposed to this device being installed in your basement it can be mounted outside your home on an exterior wall near the electric meter. If you select the Opt-Outside option, as the homeowner/property owner you will be responsible for any work that needs to be performed by a professional to get the proper wiring from the meter to the outside of your home. SPU will only connect the ERT to the wiring once it has been brought to the exterior wall.

This decision needs to be made prior to the standard water meter and ERT installation. If a change is required after the original installation standard SPU truck and labor fees will apply, in addition to above costs.

Action Requested

Staff requests approval of "Opt-Outside" language for water ERT opt-out inquiries.

RESOLUTION #2023-26

A RESOLUTION SETTING THE AMOUNT
OF THE TRUNK WATER CHARGE, APPROVING OF ITS COLLECTION
AND AUTHORIZING WATER SERVICE TO CERTAIN PROPERTY
DESCRIBED AS:

LOT 1, BLOCK 1
PATCH 1ST ADDITION

WHEREAS, a request has been received for City water service to be made available to certain property, and

WHEREAS, the collection of the Trunk Water Charge is one of the standard requirements before City water service is newly made available to an area, and

WHEREAS, the standard rate to be applied for the Trunk Water Charge has been set by separate Resolution,

NOW THEREFORE, BE IT RESOLVED, that the amount of the Trunk Water Charge is determined to be \$34,942.28 based on 6.83 net acres, and that collection of the Trunk Water Charge is one of the requirements to be completed prior to City water service being made available to that certain property described as:

LOT 1, BLOCK 1
PATCH 1ST ADDITION

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 6th day of November, 2023.

Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent

RESOLUTION #2023-27

RESOLUTION APPROVING OF THE ESTIMATED COST OF
PIPE OVERSIZING ON THE WATERMAIN PROJECT:

RIVER VALLEY BUSINESS CENTER AND EMERY WAY

WHEREAS, the Shakopee Public Utilities Commission has been notified of a watermain project, and

WHEREAS, the pipe sizes require for that project have been approved as shown on the engineering drawing by Kimley-Horn & Associates, Inc., and

WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and

WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of those costs to install oversize pipe above the standard size, and

NOW THEREFORE, BE IT RESOLVED, that the total amount of the oversizing to be paid by the Shakopee Public Utilities Commission is approved in the amount of approximately \$139,553.12, and`

BE IT FURTHER RESOLVED, the payment of the actual amount for said oversizing will be approved by the Utilities Commission when final costs for the watermain project are known, and

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

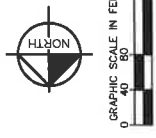
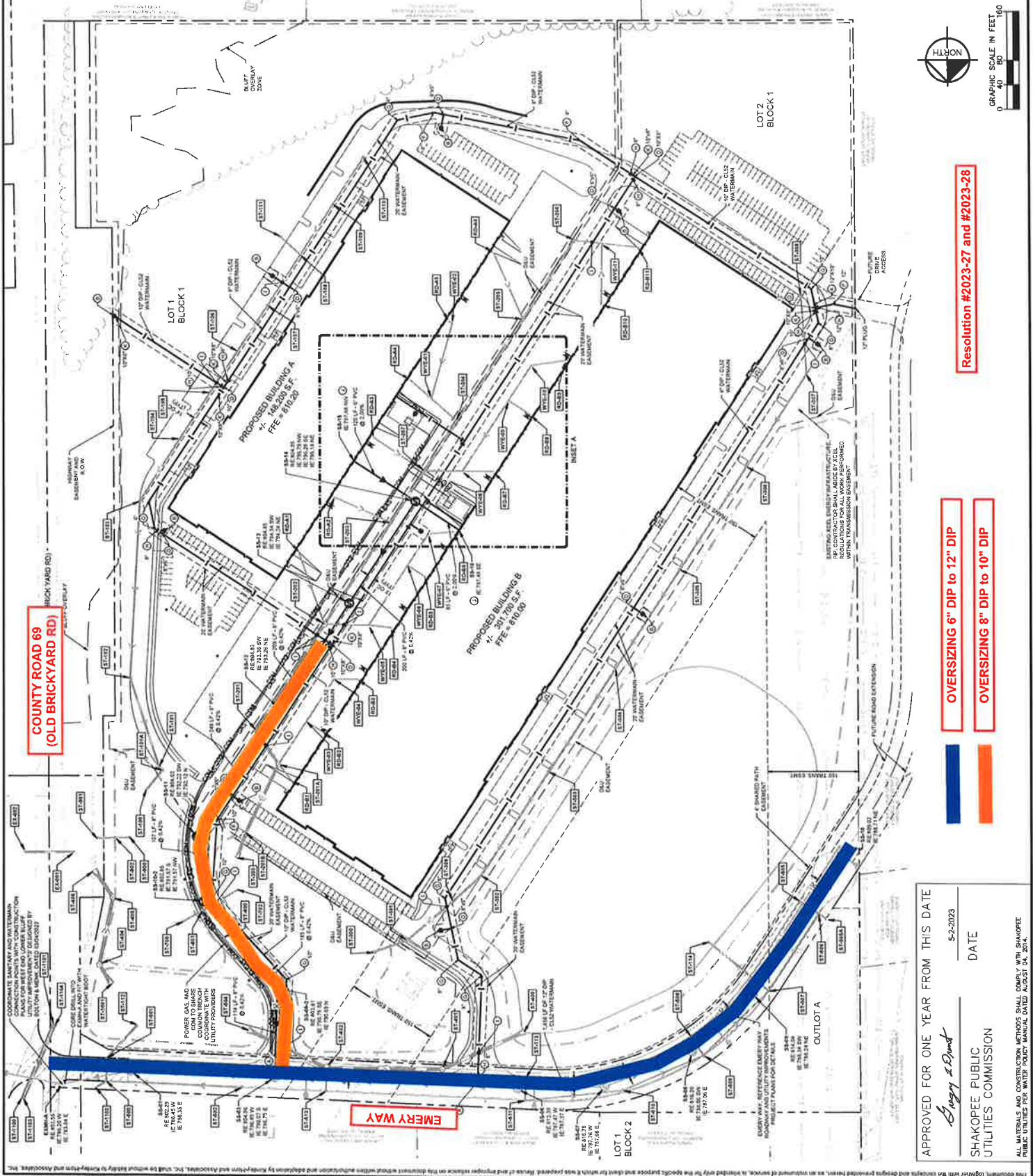
Passed in regular session of the Shakopee Public Utilities Commission, this 6th day of November, 2023.

Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent

Kimley-Horn 2022 WILKINSON AND ASSOCIATES, INC. 207 BUSH STREET, SUITE 100, ST. PAUL, MN 55114 WWW.KIMLEY-HORN.COM PHONE: 651-445-4197		PROJECT: RIVER VALLEY BUSINESS PARK DEVELOPMENT SHEET NUMBER: C600 DATE: 05/25/2023 DRAWN BY: J. CLONSON CHECKED BY: M. BROWN DATE: 05/25/2023	PREPARED FOR: RIVER VALLEY BUSINESS PARK DEVELOPMENT SHEET NUMBER: C600
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Resolution #2023-27 and #2023-28

OVERSIZING 6" DIP TO 12" DIP
 OVERSIZING 8" DIP TO 10" DIP

APPROVED FOR ONE YEAR FROM THIS DATE
 5-2-2023
 DATE
 SHAOPEE PUBLIC UTILITIES COMMISSION
 ALL MATERIALS AND CONSTRUCTION METHODS SHALL COMPLY WITH SHAOPEE PUBLIC UTILITIES PER WATER POLICY MANUAL DATED AUGUST 04, 2014

This document, together with the records and designs provided hereon, is an instrument of service. It is intended only for the specific purpose and client for which it was prepared. Review of and engineer reliance on this document without written authorization and adaptation by Kimley-Horn and Associates, Inc. shall be without liability to Kimley-Horn and Associates, Inc.

RESOLUTION #2023-28

RESOLUTION APPROVING PAYMENT FOR THE PIPE OVERSIZING
COSTS ON THE WATERMAIN PROJECT:

RIVER VALLEY BUSINESS CENTER AND EMERY WAY

WHEREAS, the Shakopee Public Utilities Commission had previously approved of an estimated amount of \$139,553.12 with Resolution #2023-27 for oversizing on the above described watermain project, and

WHEREAS, the pipe sizes required for that project have been installed as shown on the engineering drawing by Kimley-Horn & Associates, and

WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and

WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of these costs to install oversize pipe above the standard size.

NOW THEREFORE, BE IT RESOLVED, that the payment by the Shakopee Public Utilities Commission for the oversizing on this project is approved in the amount of \$139,553.12, and

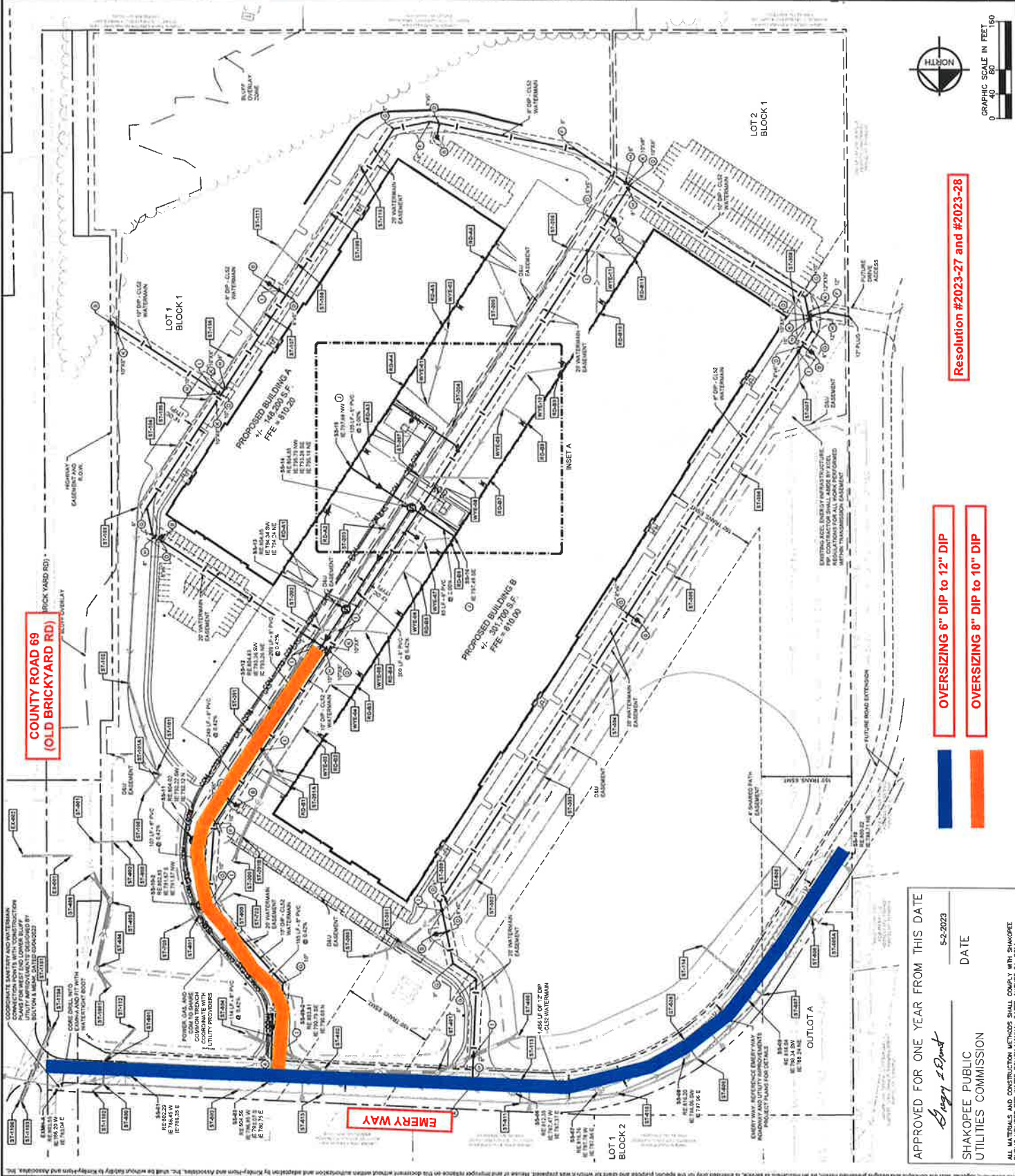
BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 6th day of November, 2023.

Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent



Resolution #2023-27 and #2023-28

OVERSIZING 6" DIP TO 12" DIP
 OVERSIZING 8" DIP TO 10" DIP

RESOLUTION #2023-29

A RESOLUTION SETTING THE AMOUNT
OF THE TRUNK WATER CHARGE, APPROVING OF ITS COLLECTION
AND AUTHORIZING WATER SERVICE TO CERTAIN PROPERTY
DESCRIBED AS:

The portion of 1325 Valley View Road (PID# 279180116)
north of Valley View Road Right-of-Way
(See Attached Boundary Exhibit and Property Legal Description)

WHEREAS, a request has been received for City water service to be made available to certain property, and

WHEREAS, the collection of the Trunk Water Charge is one of the standard requirements before City water service is newly made available to an area, and

WHEREAS, the standard rate to be applied for the Trunk Water Charge has been set by separate Resolution,

NOW THEREFORE, BE IT RESOLVED, that the amount of the Trunk Water Charge is determined to be \$90,604.36 based on 17.71 net acres, and that collection of the Trunk Water Charge is one of the requirements to be completed prior to City water service being made available to that certain property described as:

The portion of 1325 Valley View Road (PID# 279180116)
north of Valley View Road Right-of-Way
(See Attached Boundary Exhibit and Property Legal Description)

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 6th day of November, 2023.

Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent

Boundary Exhibit for:
STANLEY & WENCL, LLC
 at 1325 Valley View Road – Shakopee, Minnesota
 PID# 279180116

SURVEYOR'S NOTES

- The property description listed below describes property not shown in the depiction. Furthermore, the depiction shows only a portion lying north of the right-of-way of Valley View Road. This exhibit is intended for estimating acreage and utility service assessment purposes only.
- Area = 832,911 square feet or 19.12 acres.
 Area contained in the Scott County ROW Plat No. 86 = 85,029 square feet or 1.95 acres.
 Total Area = 917,940 square feet or 21.07 acres.

PROPERTY DESCRIPTION

(Per Scott County Abstract & Title Co., Inc. Ownership & Encumbrances Report, dated December 5, 2022)

The Southwest Quarter of the Northeast Quarter, and the Northwest Quarter of the Southeast Quarter, Section 18, Township 115, Range 22, Scott County, Minnesota; Excepting therefrom the following described parcels:

EXCEPTION 1:
 Commencing at the intersection with the north line of said SW 1/4 of NE 1/4 and the center line of County State Aid Road No. 17; thence West along said line a distance of 289.24 feet; thence south and parallel to said center line of road a distance of 170 feet; thence east and parallel to said north line a distance of 289.24 feet to the center line of said road; thence north along center line a distance of 170 feet, to the point of beginning.

EXCEPTION 2:
 Commencing at the intersection of the North line of said NE 1/4 and the center line of County Road No. 17, said point 1342.6 feet West of the Northeast corner thereof; thence Southerly at an angle of 89 degrees 24 minutes 52 seconds (as measured from East to South) along said center line a distance of 2386.00 feet to the point of beginning; thence deflecting to the West at an angle of 93 degrees 36 minutes 00 seconds a distance of 363.00 feet; thence Southerly parallel with said center line a distance of 120.00 feet; thence Easterly to a point on the center line of County Road No. 17, said point 120.00 feet South of the point or beginning; thence Northerly a distance of 120.00 feet to the point of beginning.

EXCEPTION 3:
 That part of the Northeast Quarter of Section 18, Township 115, Range 22, Scott County, Minnesota, described as follows:

Commencing at the intersection of the North line of said Northeast Quarter and the centerline of County Road No. 17, said point 1342.6 feet West of the Northeast corner thereof; thence Southerly at an angle of 89 degrees 24 minutes 52 seconds (as measured from East to South) along said centerline a distance of 2386.00 feet to the actual point of beginning of the land described; thence deflecting to the West at an angle of 93 degrees 36 minutes a distance of 363.00 feet; thence Southerly parallel with said center line a distance of 120.00 feet; thence deflecting to the West at an angle of 93 degrees 36 minutes a distance of 217.64 feet; thence Northerly parallel with said centerline a distance of 275.00 feet; thence deflecting to the East at an angle of 93 degrees 36 minutes a distance of 634.64 feet to a point on said centerline distant 155.00 feet Northerly of the actual point of beginning; thence Southerly along said center line distance of 155.00 feet to the actual point of beginning.

EXCEPTION 4:
 The West 340.00 feet of the Southwest Quarter of the Northeast Quarter Section 18, Township 115, Range 22, Scott County, Minnesota.

AND

The East 90.00 feet of the North 200.00 feet of the West 430.00 feet of the Southwest Quarter of the Northeast Quarter, Section 18, Township 115, Range 22, Scott County, Minnesota.

AND

The West 340.00 feet of the North 480.05 feet of the Northwest Quarter of the Southeast Quarter, Section 15, Township 115, Range 22, Scott County, Minnesota.

EXCEPTION 5:
 That part of the Northwest Quarter of the Southeast Quarter of Section 18, Township 115, Range 22, Scott County, Minnesota, described as follows:

Beginning at the southeast corner of the Northwest Quarter of the Southeast Quarter of said Section 18; thence North 02 degrees 29 minutes 12 seconds West, an assumed bearing along the east line of the Northwest Quarter of the Southeast Quarter, a distance of 515.00 feet; thence South 87 degrees 57 minutes 11 seconds West, a distance of 66.27 feet; thence North 88 degrees 10 minutes 08 seconds West, a distance of 133.34 feet; thence North 74 degrees 15 minutes 32 seconds West, a distance of 473.47 feet; thence North 86 degrees 14 minutes 29 seconds West, a distance of 344.86 feet; thence North 02 degrees 17 minutes 22 seconds West, a distance of 135.00 feet, to its intersection with a line lying 460.05 feet southerly and parallel with the north line of the Northwest Quarter of the Southeast Quarter; thence South 87 degrees 35 minutes 58 seconds West, along said line a distance of 340.00 feet; more or less to the west line of said Northwest Quarter of the Southeast Quarter; thence South 2 degrees 17 minutes 22 seconds East, along said West line of the Northwest Quarter of the Southeast Quarter, to the south line of said Northwest Quarter of the Southeast Quarter, thence Easterly along said south line to the point of beginning.

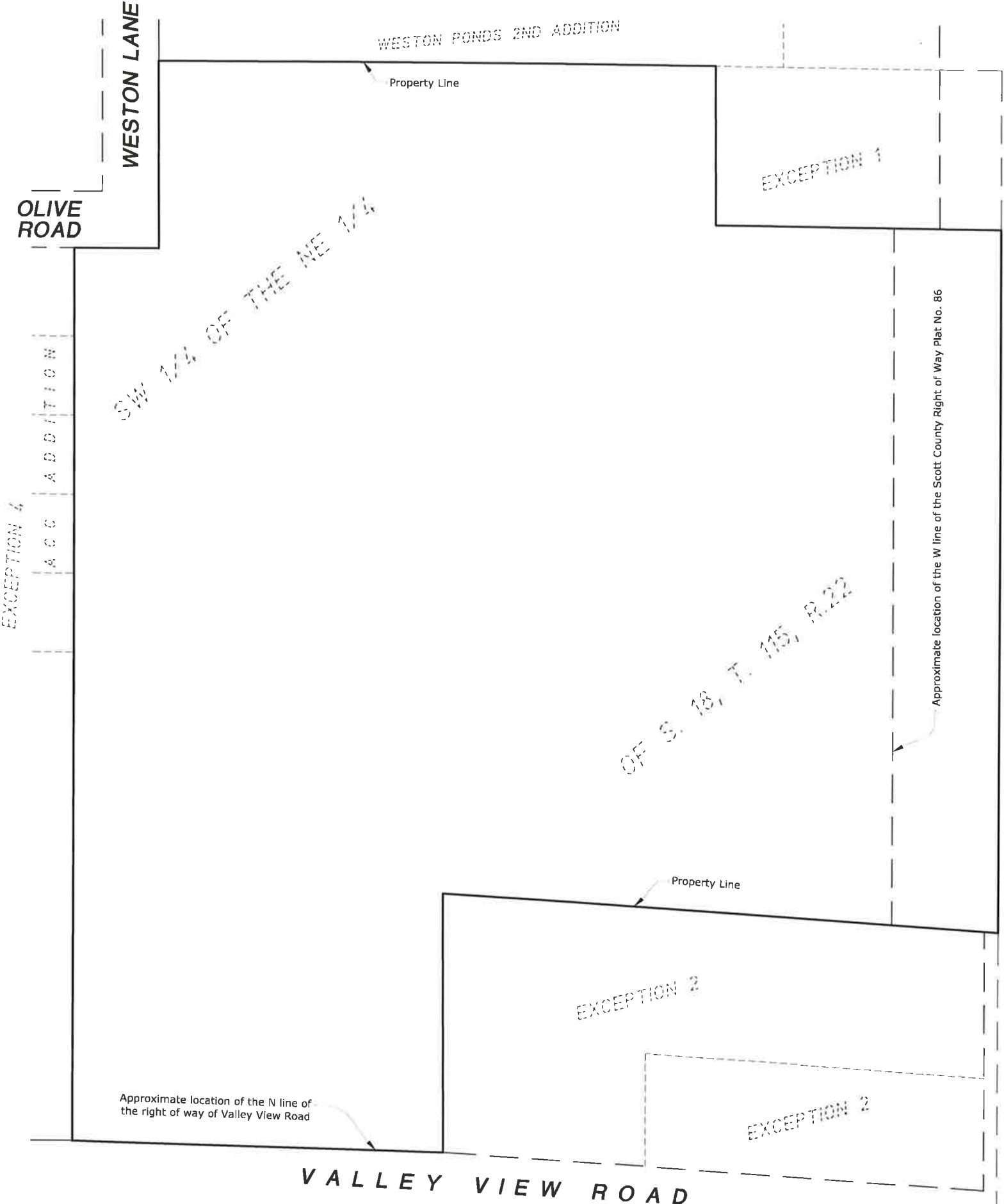
Abstract.

EXCEPTION 6:
 That part of the Northeast Quarter of Section 18, Township 115, Range 22, Scott County, Minnesota, described as follows:

Commencing at the intersection of the north line of said Northeast Quarter and the centerline of County Road No. 17, said point being 1342.6 feet west of the northeast corner of said Northeast Quarter; thence southerly at an angle of 89 degrees 24 minutes 52 seconds (as measured from East to South), along said centerline, 2386.00 feet to the point of beginning of the land to be described; thence deflecting to the west at an angle of 93 degrees 36 minutes 36.00 feet; thence southerly, parallel with said centerline, 120.00 feet; thence deflecting to the west 93 degrees 36 minutes 271.64 feet; thence northerly, parallel with said centerline, 275.00 feet; thence deflecting to the east at an angle of 93 degrees 36 minutes 634.64 feet to a point on said centerline distant 155.00 feet northerly of the point of beginning; thence southerly, along said centerline, 155.00 feet to the point of beginning.

Which lies easterly of a line described as commencing at the southwest corner of the above described property; thence easterly, along the southerly line of the above described property, 25.73 feet to the point of beginning of the line to be described; thence northerly deflecting left 106 degrees 48 minutes 11 seconds 88.00 feet; thence northerly deflecting right 10 degrees 05 minutes 31 seconds 10.74 feet; thence northerly deflecting right 3 degrees 06 minutes 39 seconds 145.02 feet; thence northerly deflecting right 1 degree 12 minutes 32 seconds 34.85 feet to the northerly line of said above described property and said line there terminating.

* This description describes property not shown on this survey.



Res #2023-29

REHDER & ASSOCIATES, INC.
 Civil Engineers & Land Surveyors
 3440 Federal Drive, Suite 110
 Eagan, MN 55122
 Telephone: 651-452-5051
 www.rehder.com



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Shakopee, Minnesota 55379
Main 952.445-1988 • Fax 952.445-7767
www.shakopeeutilities.com

TO: Greg Drent, General Manager *GD*
FROM: Ryan Halverson, Water Engineering Supervisor *RH*
SUBJECT: C.S.A.H 17 Water Main County Project 17-31 from approximately 800 feet north of Valley View Road to Valley View Road
DATE: November 6, 2023

ISSUE

Staff is seeking Commission action related to establishing an Equivalent Lateral Watermain (ELWM) charge to be paid by the benefitting properties, for the watermain extension portion of the subject project.

BACKGROUND

Attached is *Resolution #815 A Resolution Authorizing and Establishing a Fee for the Equivalent Lateral Water Main Portion of a Trunk Water Main Project.*

Attached is *Resolution #1043 A Resolution Approving a Water Main Construction Project, and Determining Its Lateral Water Main Equivalency Described As: C.S.A.H 17 Water Main County Project 17-31 from approximately 800 feet north of Valley View Road to Valley View Road.*

Attached is *Resolution #2023-19 A Resolution Modifying the Interest Provisions of Resolution 2023-02 Establishing a Connection Charge for the Equivalent Lateral Watermain Portion of a Trunk Water main Project.*

In August 2013, Scott County and the City of Shakopee awarded a construction project for the expansion of C.S.A.H. 17 (Marschall Rd) and the extension of Valley View Road. At the request of Shakopee Public Utilities, the project included a 12-inch water main extension along Marschall Road and Valley View Road to provide water service to the adjacent residential, commercial, and institutional properties.

Prior to the award, in April 2013, the Shakopee Public Utilities Commission approved Resolution #1043 approving the advancement of the project and establishing an estimated ELWM charge for the project. Construction of the subject project has been completed and staff recently received the breakdown for final project costs, allowing for determination of the final ELWM charge.

Also, after due consideration of property owner concerns on similar past projects, the Commission recently made some adjustments to the ELWM policy via Resolution #2023-19, which inflation factor to apply – the ENR CCI, when to initiate the inflation factor going forward, which was determined to be August 1, 2023, and how to publish information related to each project – on an annual SPU fee schedule.

DISCUSSION

It was previously determined by the Commission that the actual water main size installed would be 12-inch diameter and the equivalent lateral watermain would be equal to 6-inch for the project's benefitted area. Thus, the Commission would pay for over sizing for the cost difference from 6-inch to 12-inch facilities. The equivalent cost of a 6-inch water main cost is recoverable from the ELWM charge.

Final construction costs for the 12-inch watermain were \$111,911.42. Shakopee Public Utilities has paid Scott County for this improvement project and there is no impact to the budget impact at this time. The ELWM charge based on the actual final project costs is calculated to be equal to \$8,217.69 per acre.

Attached is *Resolution #2023-30, a Resolution Approving a Water Main Construction Project and Determining its Lateral Water Main Equivalency Described as: C.S.A.H. 17 Watermain County Project 17-31 From Approximately 800 Feet North of Valley View Road to Valley View Road*. Attachment A to Resolution #2023-30 lists the impacted properties, benefitted acreage and the proposed equivalent lateral water main charge for each property.

REQUESTED ACTION

Staff requests the Commission adopt Resolution #2023-30 as presented.

A RESOLUTION AUTHORIZING AND ESTABLISHING A FEE
FOR THE EQUIVALENT LATERAL WATER MAIN PORTION
OF A TRUNK WATER MAIN PROJECT

WHEREAS, Minn. Stat. Chapter 444 gives the Shakopee Public Utilities Commission discretion in determining and calculating appropriate charges and fees to be collected for providing water service to its customers;

WHEREAS, Minn. Stat. § 444.075, subd. 3 states that fees and charges may be imposed to pay for the construction, reconstruction, repair, enlargement, maintenance, operation, and use of water service facilities; and

WHEREAS, Minn. Stat. § 444.075, subd. 3 states that charges imposed for providing water service must be just and equitable and must relate to the use of and the availability of water service facilities and for connections with them; and

WHEREAS, the Shakopee Public Utilities Commission has established a trunk water policy establishing a trunk water main area assessment charge for the construction of municipal trunk water mains that are (over)sized in excess of the lateral water mains required to serve nearby property; and

WHEREAS, the Shakopee Public Utilities Commission has established a lateral water main design criteria policy establishing requirements for minimum size and number of lateral water mains required to serve nearby property based on zoning, flow requirements and size of the area being served; and

WHEREAS, the cost of installing and constructing lateral water mains are oftentimes paid by developers or other parties requesting such service or through the Chapter 429 special assessment process; and

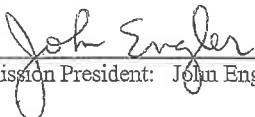
WHEREAS, the Shakopee Public Utilities Commission has concluded that in certain cases, the process established in Minn. Stat. Chapter 444 should be utilized to pay for the equivalent lateral water main construction costs associated with specific water main installations; and

WHEREAS, the Shakopee Public Utilities Commission desires to establish a policy to ensure that the fees for providing such lateral water main are just and equitable.

NOW, THEREFORE, BE IT RESOLVED by the Shakopee Public Utilities Commission as follows:

1. Pursuant to Minn. Stat. Chapter 444, there is hereby established a fee for the equivalent lateral water main portion of a trunk water main project.
2. The fee authorized by this Resolution shall be applicable in situations where the equivalent lateral water main portion of the trunk water main costs is not being paid by a developer or other person requesting the construction and installation of lateral water main for the purpose of receiving water service or in situations where the Commission concludes that collecting the costs through the Chapter 429 special assessment procedure project should not be utilized.
3. The lateral water main fee established by this Resolution shall be calculated at the time that the Commission approves the water main project based on the actual costs for constructing the water main, with consideration of the equivalent lateral water main portion of any oversized trunk water main. The fee shall be indexed on an annual basis and be calculated on an area basis based on the amount of property that will ultimately be served by the lateral water main. The fee shall be paid at the time of connection to the water system, and is in addition to any and all other applicable standard requirements to receive water service.

Passed in regular session of the Shakopee Public Utilities Commission, this 1st day of August, 2005.


Commission President: John Engler

ATTEST:

Commission Secretary: Kent Archerd

RESOLUTION #1043

A RESOLUTION APPROVING A WATER MAIN CONSTRUCTION PROJECT, AND DETERMINING ITS LATERAL WATER MAIN EQUIVALENCY, DESCRIBED AS:

C.S.A.H. 17 WATER MAIN COUNTY PROJECT 17-31
FROM APPROXIMATELY 800 FEET NORTH OF VALLEY VIEW ROAD
TO VALLEY VIEW ROAD

WHEREAS, the Shakopee City Council and Scott County have agreed to construct certain public improvements in the C.S.A.H. 17 right of way, and

WHEREAS, the Shakopee Public Utilities Commission desires to install approximately 800 feet of 12-inch water main concurrent with the other improvements to further coordination of all of the improvements and to avoid the inevitable complications that would result from installing the water main at a future date, and

WHEREAS, there are cost savings to have the water main construction be a part of the improvements, and

WHEREAS, the Shakopee Public Utilities Commission has previously adopted policies to ensure the eventual recovery of lateral water main equivalent costs of trunk water mains and the funding of trunk water main over sizing costs, and

WHEREAS, the estimated cost of the 12-inch water main construction is \$82,777.50, and

WHEREAS, the estimated cost of a lateral water main equivalent to a combination of approximately 215 feet of 8-inch and approximately 585 feet of 6-inch water main, the sizes required to serve the north to south flow requirement of each of the adjoining properties to a depth of 400 feet per the Shakopee Public Utilities Commission's adopted water main design criteria, is \$56,873.70, and

WHEREAS, the area of the land adjacent to the water main that is receiving the benefit of the lateral water main equivalent is 7.80 acres, and

WHEREAS, the estimated cost of the trunk water main over sizing from the 6-inch lateral water main to the 12-inch trunk water main is \$25,903.80.

NOW THEREFORE, BE IT RESOLVED, that the C.S.A.H. 17 water main project is hereby approved.

BE IT FURTHER RESOLVED, that the lateral water main equivalent cost shall be recovered under the provisions of Resolution #815 with the fee described charged to the adjacent properties identified on the attached Exhibit "A"; with the fee to be collected when those properties request water service, and the fee shall be \$7,291.50 per acre, and

BE IT FURTHER RESOLVED, that the trunk water main over sizing cost shall be funded per the trunk water policy, and

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 15th day of April, 2013.

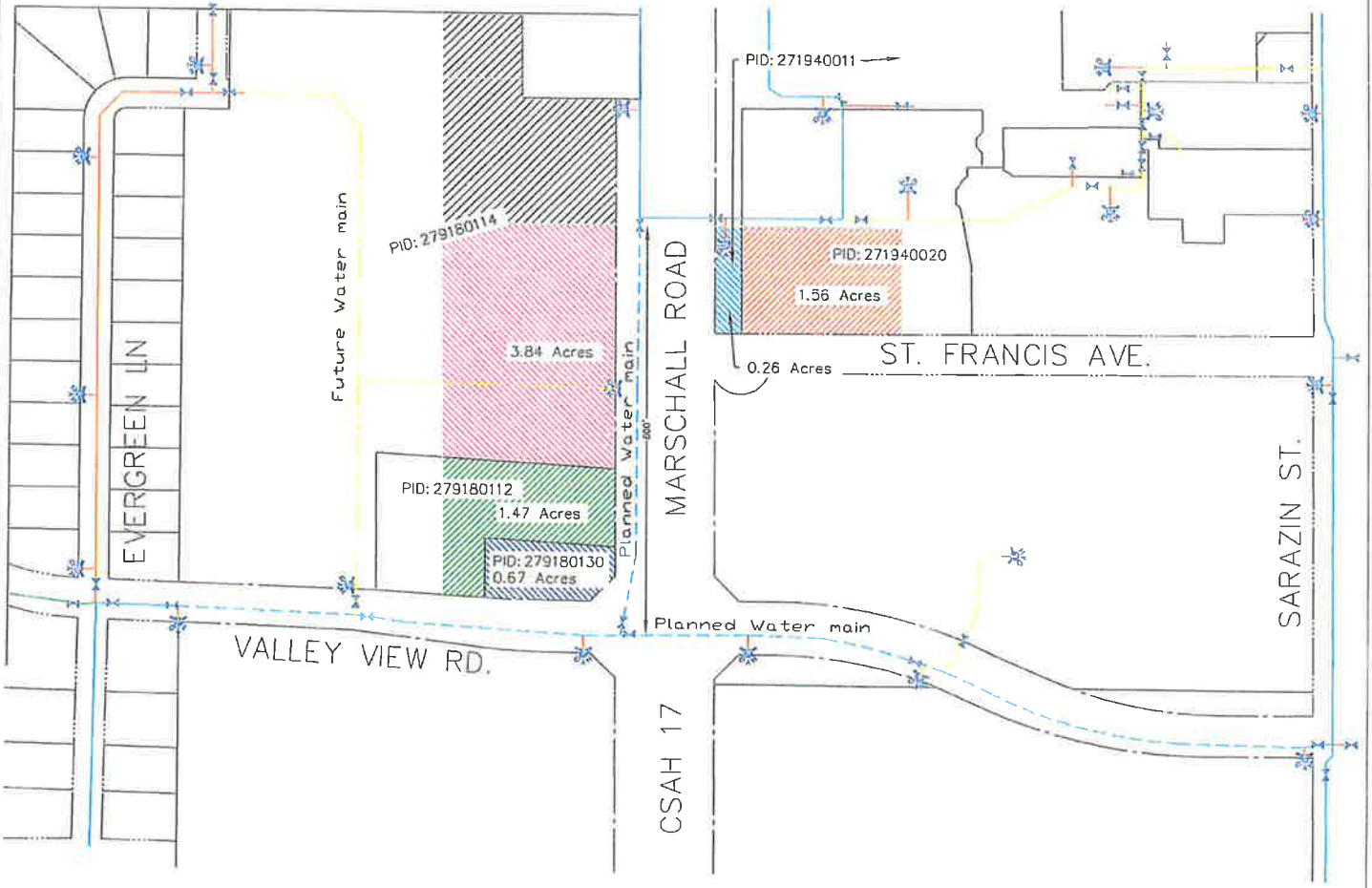
ATTEST:


Commission Secretary: John R. Crooks


Commission President: Joseph Helkamp

Attachment to
Resolution #1043

CSAH 17 (Marschall Road)
Water Main
Scott County Project 17-31



RESOLUTION #2023-19

A RESOLUTION MODIFYING THE INTEREST PROVISIONS OF
RESOLUTION 2023-02 ESTABLISHING A CONNECTION CHARGE FOR THE
EQUIVALENT LATERAL WATER MAIN PORTION OF
A TRUNK WATER MAIN PROJECT

WHEREAS, on the 3rd of January 2023, the Shakopee Public Utilities Commission adopted Resolution #2023-02, which clarified the provisions of Resolution #815, which was adopted on the 1st of August 2005, and which established a policy to ensure that the charges for providing lateral water main installations are just and equitable.


WHEREAS, Resolution 2023-02 established a connection charge for the equivalent lateral water main portion of a trunk water main project (the "Charge") under Minnesota Statutes, Chapter 444. Resolution 2023-02 also specified that the Charge shall be indexed using the US Department of Treasury Daily Long-Term Rate – LT COMPOSITE (>10yrs.).


WHEREAS, the Shakopee Public Utilities Commission, after hearing from property owners affected by the Charge and carefully considering their input and balancing the interests of all past, present, and future water customers, has determined to change the index applied to the Charge.

NOW, THEREFORE, BE IT RESOLVED by the Shakopee Public Utilities Commission as follows:

1. The Charge established under Resolution 2023-02 shall be indexed on an annual basis using the Construction Cost Index published by the Engineering News Record. Interest shall commence on August 1, 2023, except as may be expressly determined otherwise by Commission action.
2. The Charge, including any applicable interest, shall be set forth on the SPU Fee Schedule, as amended from time to time, posted on the SPU website.

Passed in regular session of the Shakopee Public Utilities Commission, this 7th day of August, 2023.


Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent

RESOLUTION #2023-30

A RESOLUTION APPROVING A WATER MAIN CONSTRUCTION PROJECT, AND
DETERMINING THE LATERAL WATER MAIN EQUIVALENCY,
DESCRIBED AS:

C.S.A.H. 17 WATER MAIN COUNTY PROJECT 17-31
FROM APPROXIMATELY 800 FEET NORTH OF VALLEY VIEW ROAD
TO VALLEY VIEW ROAD

WHEREAS, the Shakopee City Council and Scott County and Shakopee Public Utilities Commission have previously agreed to construct certain public improvements in the C.S.A.H. 17 right of way, and

WHEREAS, the minimum size required to serve the east to west and north to south flow requirement of the adjoining properties per the Shakopee Public Utilities Commission's adopted water main design criteria, is a 12-inch water main.

WHEREAS, the Shakopee Public Utilities Commission has installed a 12-inch water main concurrent with the other improvements to further coordination of all of the improvements and to avoid the inevitable complications that would result from installing the water main at a future date, and

WHEREAS, there are cost savings to have the water main construction be a part of the improvements, and

WHEREAS, the Shakopee Public Utilities Commission has previously adopted Resolution #815 and Resolution #2023-019 to ensure the eventual recovery of lateral water main equivalent costs of trunk water mains and the funding of trunk water main over sizing costs, and

WHEREAS, by Resolution #1043 the Shakopee Public Utilities Commission established the equivalent lateral watermain fee to be charged to the properties adjacent to the C.S.A.H 17 Water Main County Project 17-31 Project from approximately 800 feet north of Valley View Road to Valley View Road, and

WHEREAS, final construction cost of the 12-inch lateral water main construction is \$111,911.42, and

NOW THEREFORE, BE IT RESOLVED, that the C.S.A.H. 17 County Project 17-31 water main project is hereby approved.

BE IT FURTHER RESOLVED, that the lateral water main equivalent cost shall be recovered under the provisions of SPU Resolution #815 and Resolution #2023-19 for their improvements with the fee described charged to the properties fronting the 12-inch water main extension when those properties request water service and meet all other standard requirements to receive water service, and the fee estimated to be \$8,217.69 per acre shall be set after project completion when final costs are known.

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 6th day of November, 2023.

Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent

Attachment A to Resolution #2023-30

Final Equivalent Water Main (ELWM) Charge for C.S.A.H. 17 Water Main County Project 17-31

<u>PID Number</u>	<u>Owner</u>	<u>Acreage</u>	<u>ELWM Charge</u>
279180114	Betaseed Inc	3.84	\$31,555.93
279180112	Hayostek, Donovan & Rochelle	1.47	\$12,080.00
279180130	Thompson, Kevin Miles	0.67	\$5,505.85
271940020	St. Francis Regional Medical Center	0.26	\$2,136.60
271940020	Park Nicollet Medical Center	1.56	\$12,819.60



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www.shakopeeutilities.com

TO: Greg Drent, General Manager *GD*
FROM: Joseph D. Adams, Planning & Engineering Director *JDA*
SUBJECT: Semi-Final Capital Improvement Plan for 2024-2028
DATE: October 30, 2023

ISSUE

The Semi-Final Capital Improvement Plan for 2024-2028 is submitted for consideration by the Commission at their November 6, 2023 meeting. I will present the plan and take questions during the meeting.

**Shakopee Public Utilities
Capital Improvement Plan
Semi-Final
Dated: 10/24/23
Administrative Summary**

	Item Description	Justification	2024	2025	2026	2027	2028
1	Equipment	See detail	42,500	37,500	32,500	62,500	125,000
2	Hardware	See detail	557,513	182,567	112,275	189,478	75,000
3	Software	See detail	15,000	15,000	15,000	15,000	15,000
4							
5	Total Administrative		\$ 615,013	\$ 235,067	\$ 159,775	\$ 266,978	\$ 215,000
6							
7	Cumulative Total Administrative		\$ 615,013	\$ 850,080	\$ 1,009,855	\$ 1,276,833	\$ 215,000
8							
9		Electric	461,260	176,300	119,831	200,234	161,250
10		Water	153,753	58,767	39,944	66,745	53,750

**Shakopee Public Utilities
Capital Improvement Plan
Semi-Final
Dated: 10/24/23
Administrative Detail**

	Type	Item	Source of Request	Justification	Qty	Unit Cost	2024	2025	2026	2027	2028
1	Furn & Equipment	Work Station Configuration and Replacements	F&A - IT	Work Station Configuration and Replacements			15,000	25,000	-	10,000	-
2	Furn & Equipment	Miscellaneous Hardware	Building	Misc. Office equipment as needed			12,500	12,500	12,500	12,500	125,000
3	Furn & Equipment	Equipment Lockers - Shop Area	Building	Lockers and bench	15		15,000	-	-	-	-
4	Furn & Equipment	Electric Room Configuration - Cubicles	Electric	New furniture design and installation	5		-	-	20,000	-	-
5	Furn & Equipment	Commission Room Tables	Building	Conference room tables			-	-	-	40,000	-
6	Total Equipment						42,500	37,500	32,500	62,500	125,000
7	Hardware	HPE Aruba AP Replacements	F&A - IT	Aruba Aps end of life need replacement	25	1,425	35,625	35,625	-	-	-
8	Hardware	HPE Storeonce Veeam Storage Expansion	F&A - IT	Local Veeam backup storage expansion		22,000	22,000	22,000	-	-	-
9	Hardware	Commission Room Meeting Room System	Building	Replacement of Commission Room Equipment to utilize IoT	1		50,000	-	-	-	-
10	Hardware	Plan/Eng Plotter Replacement	Plan/Eng	Plan/Eng HP plotter is 5 years old future replacement		10,000	10,000	-	-	-	-
11	Hardware	Fiber Ring /INET Connectivity	F&A - IT	Connectivity/Redundancy for systems/remote sites	21	7,100	37,275	37,275	37,275	-	-
12	Hardware	Miscellaneous Hardware	F&A - IT	Future planning/Unplanned replacements			75,000	75,000	75,000	75,000	75,000
13	Hardware	Network Switches	F&A - IT	Future Standard Replacement Cycle	5	7,600	19,000	12,667	-	29,478	-
14	Hardware	Cluster Headend Replacement	F&A - IT	Replace Cluster Nodes for server high availability/recovery	3	7,871	23,613	-	-	-	-
15	Hardware	Offsite NAS	F&A - IT	Offsite network attached storage for backup / replication	1	13,000	13,000	-	-	-	-
16	Hardware	Fiber Buildout Eagle Creek to McColl	F&A - IT	Connectivity			260,000	-	-	-	-
17	Hardware	Remit Plus Scanners - Payment Processing	Cust. Service	Scanner Replacements	3	4,000	12,000	-	-	-	-
18	Hardware	Firewall	F&A - IT	Replace product reaching end of life support			-	-	-	45,000	-
19	Hardware	SAN Replacement	F&A - IT	Replacement of SAN	1	40,000	-	-	-	40,000	-
20	Total Hardware						557,513	182,567	112,275	189,478	75,000
21	Software	Finance Software	F&A - IT	Daffron replacement software - NISC			-	-	-	-	-
22	Software	NOVA Software Modifications	Plan/Eng	NOVA Software - build a custom modification			-	-	-	-	-
23	Software	LOGIS	F&A - IT	IT System Support			15,000	15,000	15,000	15,000	15,000
24	Total Software						15,000	15,000	15,000	15,000	15,000
25	Total CIP Expenditures - Administration						615,013	235,067	159,775	266,978	215,000

**Shakopee Public Utilities
Capital Improvement Plan
Semi-Final
10/24/2023
Electric Summary**

Item Description	Justification	2024	2025	2026	2027	2028
Operating Fund						
System Projects						
1 Miscellaneous	See Detail	175,000	175,000	175,000	175,000	175,000
2 System Material & Facilities	See Detail	3,180,000	2,080,000	3,280,000	1,980,000	1,980,000
3 Vehicles/Equipment	See Detail	1,012,000	435,000	350,000	290,000	225,000
Local Area Projects						
6 New UG Cables & Related Cost (Net of Contribution)	See Detail	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
7 Replace UG Cable Projects	See Detail	40,000	40,000	40,000	40,000	40,000
8 Rebuild OH Lines	See Detail	395,000	95,000	70,000	20,000	25,000
Major System Projects						
11 Feeder Extension Projects	See Detail	2,632,326	544,700	403,940	417,563	318,618
12 Convert OH to UG	See Detail	625,000	393,000	356,720	61,650	64,100
13 Territory Acquisition	See Detail	550,000	-	-	-	-
14 Shakopee Substation	See Detail	60,000	500,000	-	-	-
15 South Shakopee Substation	See Detail	130,000	-	-	-	-
16 Pike Lake Substation	See Detail	10,000	50,000	35,000	-	-
17 Dean Lake Substation	See Detail	60,000	-	-	-	-
18 East Shakopee Substation	See Detail	450,000	-	100,000	6,300,000	-
19 West Shakopee Substation	See Detail	730,000	200,000	-	-	-
20 Upgrade Projects	See Detail	295,000	280,000	305,000	240,000	240,000
22 ADVANCED METERING INFRASTRUCTURE (AMI)	See Detail	4,722,019	336,301	-	-	-
24 Service Center	See Detail	375,000	850,400	50,000	50,000	4,050,000
Total Operating Fund		16,441,345	6,979,401	6,165,660	10,574,213	8,117,718
Relocation Fund						
29 Relocation Projects	See Detail	316,864	60,000	365,000	65,000	65,000
Total Relocation Fund		316,864	60,000	365,000	65,000	65,000
Total Electric		16,758,209	7,039,401	6,530,660	10,639,213	8,182,718
Cumulative Total Electric		16,758,209	23,797,610	30,328,270	40,967,483	49,150,201

**Shakopee Public Utilities
Capital Improvement Plan
Semi-Final
Dated: 10/24/23
Electric Detail**

Item Description	Justification	2024	2025	2026	2027	2028
Operating Fund						
System Projects						
1 Miscellaneous	As Necessary	175,000	175,000	175,000	175,000	175,000
2 Total Miscellaneous		175,000	175,000	175,000	175,000	175,000
3 System Material & Facilities						
4 Lateral Circuit Reconfiguration	System Reliability	25,000	25,000	25,000	25,000	25,000
5 Meters	New Construction	350,000	250,000	150,000	150,000	150,000
6 Padmount Switches & Related (IIJA Grant Program 50% match)	Load/Development	700,000	700,000	2,000,000	700,000	700,000
7 Distribution Transformers	Restock to min.	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000
8 System Capacitors-Additional	PF Improvements	25,000	25,000	25,000	25,000	25,000
9 SCADA-Capacitor Control	Op. Efficiencies & Voltage Control	40,000	40,000	40,000	40,000	40,000
10 SCADA Switches for Tie Switches	System Reliability	40,000	40,000	40,000	40,000	40,000
11 Total System Material & Facilities		3,180,000	2,080,000	3,280,000	1,980,000	1,980,000
12 Vehicles/Equipment						
13 Dump Truck	New Equipment	150,000	-	-	-	-
14 Mini Skid Loader	New Equipment	60,000	-	-	-	-
15 #610 F550 4x4 Service Truck	Life Cycle Replacement	200,000	-	-	-	-
16 Forklift	Life Cycle Replacement	30,000	-	-	-	-
17 Digger Truck #612 Bucket	Life Cycle Replacement	525,000	-	-	-	-
18 Storage Bins for Planning Truck #637	New Equipment	2,000	-	-	-	-
19 Construction-Related Equipment-New/Additional/Replacement	Tool Replacement	45,000	45,000	45,000	45,000	45,000
20 Air Compressor #628	Life Cycle Replacement	-	70,000	-	-	-
21 Directional Bore Equipment	New Equip for UG Construction	-	250,000	-	-	-
22 Equipment Trailer 30,000 lbs	Life Cycle Replacement	-	20,000	-	-	-
23 #617 Replacement Truck	Life Cycle Replacement	-	50,000	-	-	-
24 #631 Service Truck 4X4	Life Cycle Replacement	-	-	50,000	-	-
25 #633 Service Truck 4X4	New Equipment	-	-	50,000	-	-
26 Woodchipper	Life Cycle Replacement	-	-	55,000	-	-
27 Vac-Tron	Life Cycle Replacement	-	-	95,000	-	-
28 Skidsteer	Life Cycle Replacement	-	-	55,000	-	-
29 #617 4x4 Pickup	Life Cycle Replacement	-	-	-	50,000	-
30 #613 4x4 Dump truck	Life Cycle Replacement	-	-	-	55,000	-
31 #627 4x4 Ext Cab Pickup	New Equipment	-	-	-	50,000	-
32 #645 4x4 Pickup	Life Cycle Replacement	-	-	-	50,000	-
33 3 Reel Trailer Wire	Life Cycle Replacement	-	-	-	40,000	-
34 Dump Trailer	Life Cycle Replacement	-	-	-	-	20,000
35 #646 4x4 Crew Cab Truck	Life Cycle Replacement	-	-	-	-	50,000
36 #632 Service body 1 ton Truck	Life Cycle Replacement	-	-	-	-	55,000
37 #642 1ton Dump Truck	Life Cycle Replacement	-	-	-	-	55,000
38 Total Vehicles/Equipment		1,012,000	435,000	350,000	290,000	225,000
39 Local Area Projects						
40 New UG Cables & Related Cost (Net of Contribution)	Load/Development	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
41 Total New UG Cables & Related Cost (Net of Contribution)		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
42						

**Shakopee Public Utilities
Capital Improvement Plan
Semi-Final
Dated: 10/24/23
Electric Detail**

Item Description	Justification	2024	2025	2026	2027	2028
43						
44	Replace UG Cable Projects					
45	Replace UG Cable - Projects Yet To Be Determined	As Needed	40,000	40,000	40,000	40,000
46	Total Replace UG Cable Projects		40,000	40,000	40,000	40,000
47						
48	Rebuild OH Lines					
49	SS-32 CR 15 @Hwy 169 Ramps 0.50 mile Roundabout	Street Project	125,000	-	-	-
50	SS-83 CR78/CR69 Roundabout	Street Project	150,000	-	-	-
51	DL-52 Eagle Creek Blvd@Vierling Drive Roundabout	Street Project	25,000	-	-	-
52	Rewire/rebuild MVEC circuits to SPU standards	Upgrade	75,000	75,000	-	-
53	CR78/79 Roundabout	Street Project	-	-	50,000	-
54	Rebuild OH lines - as needed RP3	Change Out	20,000	20,000	20,000	25,000
55	Total Rebuild OH Lines		395,000	95,000	70,000	20,000
56	Major System Projects					
57						
58	Feeder Extension Projects					
59	West Shakopee Substation Exit Circuits	Load Grown	628,000	-	-	-
60	DL-9X to Valley Green Business Park	Load Growth	274,000	156,000	-	-
61	Dean Lake Sub Exit Circuits 1.0 mile	Load Growth	238,000	-	-	-
62	PL-76 to Southbridge	Loss of Blue Lake Circuits	275,000	-	-	-
63	SS-32 CR 16 Ext. from CR15 to CR69 1.0 mile	Street Project & Development	205,234	-	-	-
64	DL-97 New Feeder DL Sub to Unbridled Ave 1.0 mile	Development (Canterbury Commons)	142,280	-	-	-
65	DL-42 Feeder Extension to Data Center 1.0 mile	Load Growth (Data Center)	136,812	-	-	-
66	Dean Lake to BL Feeder tie 1.0 miles	Loss of Blue Lake Circuits	250,000	-	-	-
67	WS-XX to Breeggemann Parcel	Development	208,000	-	-	-
68	SS-84 New Feeder SS Sub to CR 17 via Stonebrooke 0.75 mile	Load Growth	-	102,700	106,500	111,200
69	Projects Yet to be Determined 1.0 mile	As Necessary	275,000	286,000	297,440	306,363
70	Total Feeder Extension Projects		2,632,326	544,700	403,940	417,563
71						
72	Assumed Cost per mile unless noted otherwise		275,000	286,000	297,440	-
73						
74	Convert OH to UG					
75	Eagle Creek Blvd UG .50 miles East of Vierling 100% SPU	Reliability	350,000	-	-	-
76	Muhlenhardt Undergrounding 0.75 mile	Reliability	-	50,000	-	-
77	Presidential OH to UG Conversion, 2 blocks per year, 40 customer/year	Reliability	-	57,000	59,280	61,650
78	Total Convert OH to UG		625,000	393,000	356,720	61,650
79	Territory Acquisition					
80	Territory Acquisition "build OH & UG to Asphalt Plant 1.0 miles"	Consolidation	250,000	-	-	-
81	Territory Acquisition - reinforce feeder network	Consolidation	300,000	-	-	-
82	Total Territory Acquisition		550,000	-	-	-
83						
84						
85						

**Shakopee Public Utilities
Capital Improvement Plan
Semi-Final
Dated: 10/24/23
Electric Detail**

Item Description	Justification	2024	2025	2026	2027	2028
86						
87 Shakopee Substation						
88 Replace A/C unit in switchhouse 1	Maintenance	10,000	-	-	-	-
89 Substation to County Fiber & Fiber Equipment	Safety	50,000	-	-	-	-
90 Land Rights	Load Growth/Downtown Re-development	-	500,000	-	-	-
91 Total Shakopee Substation		60,000	500,000	-	-	-
92						
93 South Shakopee Substation						
94 Oil Change Out on Tap Changer (Transformer 1)	Maintenance/Extend Life of Tap Changer	35,000	-	-	-	-
95 Replace A/C unit in switchhouse 2	Maintenance	10,000	-	-	-	-
96 Substation to County Fiber & Fiber Equipment	Safety	50,000	-	-	-	-
97 Oil Change Out on Tap Changer (Transformer 2)	Maintenance/Extend Life of Tap Changer	35,000	-	-	-	-
98 Total South Shakopee Substation		130,000	-	-	-	-
99						
100 Pike Lake Substation						
101 Replace A/C unit in switchhouse 1	Maintenance	10,000	-	-	-	-
102 Substation to County Fiber & Fiber Equipment	Safety	-	50,000	-	-	-
103 Oil Change Out on Tap Changer	Maintenance/Extend Life of Tap Changer	-	-	35,000	-	-
104 Total Pike Lake Substation		10,000	50,000	35,000	-	-
105						
106 Dean Lake Substation						
107 Replace A/C unit in switchhouse	Maintenance	10,000	-	-	-	-
108 Substation to County Fiber & Fiber Equipment	Safety	50,000	-	-	-	-
109 Total Dean Lake Substation		60,000	-	-	-	-
110						
111 East Shakopee Substation						
112 Planning/Design/Project Management	Load Growth	400,000	-	100,000	-	-
113 Construction	Load Growth	50,000	-	-	6,250,000	-
114 Substation to County Fiber & Fiber Equipment	Safety	-	-	-	50,000	-
115 Total East Shakopee Substation		450,000	-	100,000	6,300,000	-
116						
117 West Shakopee Substation						
118 Planning/Design/Project Management	Load Growth	30,000	-	-	-	-
119 Ductbanks for WS-Exit circuits through roundabout on 69 South	Load Growth	150,000	-	-	-	-
120 Substation to County Fiber & Fiber Equipment	Safety	50,000	-	-	-	-
121 WS-Exit Circuits	Load Growth	500,000	-	-	-	-
122 WS - XX Feeder Extension West of River Valley Business Center	Development	-	200,000	-	-	-
123 Total West Shakopee Substation		730,000	200,000	-	-	-

**Shakopee Public Utilities
Capital Improvement Plan
Semi-Final
Dated: 10/24/23
Electric Detail**

Item Description	Justification	2024	2025	2026	2027	2028
124						
125 Upgrade Projects						
126 Heritage Lateral Reconfiguration	Safety	25,000	-	-	-	-
127 Pole Replacement	Maintenance	50,000	50,000	50,000	-	-
128 Milwaukee Court Lateral Reconfiguration	Safety	-	-	25,000	-	-
129 Projects yet to be determined	Load Growth	220,000	230,000	230,000	240,000	240,000
130 Total Upgrade Projects		295,000	280,000	305,000	240,000	240,000
131						
132 ADVANCED METERING INFRASTRUCTURE (AMI)						
133 Construction/Implementation/Hardware/Software/Training/Project Management	Customer Service	4,722,019	336,301	-	-	-
134 Total ADVANCED METERING INFRASTRUCTURE (AMI)		4,722,019	336,301	-	-	-
135						
136 Service Center						
137 Service Center to Fiber	Safety	50,000	-	-	-	-
138 Display Case Office	Marketing	10,000	-	-	-	-
139 Facilities Exterior Main Door Replacement	Maintenance	40,000	-	-	-	-
140 Commission Room Remodel	Reconfigure Commission Room	200,000	-	-	-	-
141 Garage Heaters	Maintenance	30,000	-	-	-	-
142 Miscellaneous Building Improvements/Replacements	Maintenance & Requested Changes	45,000	50,000	50,000	50,000	50,000
143 Facility Roof Replacement	Maintenance	-	800,400	-	-	-
144 Building Expansion Office	Staff Additions	-	-	-	-	4,000,000
145 Total Service Center		375,000	850,400	50,000	50,000	4,050,000
146						
147 Total Operating Fund		16,441,345	6,979,401	6,165,660	10,574,213	8,117,718
148						
149 Relocation Fund						
150 Relocation Projects						
151 SS-32 CR 15 & Hwy 169 Ramps 0.50 mile	Roundabout Impacts	136,864	-	-	-	-
152 CR78/CR69 Roundabout	Roundabout Impacts	60,000	-	-	-	-
153 DL-52 Eagle Creek Blvd@Vierling Drive Roundabout	Street Project	60,000	-	-	-	-
154 CR78/CR79 Roundabout (2 x OH + 2 x UG)	Roundabout Impacts	-	-	300,000	-	-
155 Projects Yet to Be Determined 0.50 Ckt. mile	As Necessary	60,000	60,000	65,000	65,000	65,000
156 Total Relocation Projects		316,864	60,000	365,000	65,000	65,000
157						
158 Total Relocation Fund		316,864	60,000	365,000	65,000	65,000
159						
160 Total Electric		16,758,209	7,039,401	6,530,660	10,639,213	8,182,718

**Shakopee Public Utilities
Capital Improvement Plan
Semi-Final
Dated: 10/24/23
Water Summary**

Item Description	Justification	2024	2025	2026	2027	2028
<u>Operating Fund</u>						
1 Miscellaneous	See Detail	730,000	290,000	365,000	320,000	320,000
2 System Upgrades	See Detail	155,000	2,240,000	2,095,000	15,000	15,000
3 ADVANCED METERING INFRASTRUCTURE (AMI)	See Detail	3,558,132	274,693	-	-	-
4 Vehicles/Equipment	See Detail	58,000	90,000	116,000	-	-
5						
6 Total Operating Fund		4,501,132	2,894,693	2,576,000	335,000	335,000
7						
<u>Reconstruction Fund</u>						
9 Reconstruction Projects	See Detail	305,000	170,000	85,000	2,070,000	175,000
10						
11 Total Reconstruction Fund		305,000	170,000	85,000	2,070,000	175,000
12						
<u>Trunk Fund</u>						
14 Trunk Water Mains - SPUC Projects	See Detail	375,000	-	75,000	150,000	-
15 Over Sizing - Non-SPUC Projects	See Detail	1,212,500	970,000	-	-	1,090,000
16						
17 Total Trunk Fund		1,587,500	970,000	75,000	150,000	1,090,000
18						
<u>Connection Fund</u>						
20 Wells	See Detail	220,000	730,000	660,000	-	-
21 Water Treatment	See Detail	9,500,000	1,000,000	1,250,000	11,000,000	16,000,000
22 Pump House Additions/Expansions	See Detail	3,835,000	1,300,000	100,000	3,640,000	4,550,000
23 New Tanks and Transmission Water Main	See Detail	4,750,000	-	-	-	-
24 Booster Stations	See Detail	500,000	2,000,000	-	-	-
25 Auxiliary Facilities	See Detail	120,000	510,000	60,000	472,500	-
26						
27 Total Connection Fund		18,925,000	5,540,000	2,070,000	15,112,500	20,550,000
28						
29 Total Water		25,318,632	9,574,693	4,806,000	17,667,500	22,150,000
30						
31 Cumulative Total Water		25,318,632	34,893,325	39,699,325	57,366,825	79,516,825

**Shakopee Public Utilities
Capital Improvement Plan
Semi-Final
Dated: 10/24/23
Water Detail**

Item Description	Justification	2024	2025	2026	2027	2028
Operating Fund						
Miscellaneous						
CSAH 16 CIF 22-006 Trail Extension adjust valves & hydrants	Trail Extension	25,000	-	-	-	-
Emergency Power Generation Conversion @ Riverview Booster Station	Extended Sustainability	320,000	-	-	-	-
Chemical Feed Improvements	Safety/Enhanced Accuracy	20,000	-	-	-	-
Cty Rd 78/69 Roundabout	Water Main Casing	75,000	-	-	-	-
Water Meters	PM/Development	175,000	175,000	175,000	200,000	200,000
Reservoir Maintenance	Preventative Maintenance	50,000	50,000	50,000	50,000	50,000
Power Wash Towers	Preventative Maintenance	25,000	25,000	25,000	30,000	30,000
Hydrant Replacement	As Needed	40,000	40,000	40,000	40,000	40,000
Cty Rd 78/79 Roundabout	Water Main Casing	-	-	75,000	-	-
Total Miscellaneous		730,000	290,000	365,000	320,000	320,000
System Upgrades						
SCADA Upgrades	Water System Reliability	40,000	-	-	-	-
Fiber Hardware	AMI and SCADA for 4 tanks	100,000	100,000	-	-	-
Miscellaneous Equipment	As Needed	15,000	15,000	15,000	15,000	15,000
Recoat Reservoir #3 Canterbury Road	Preventative Maintenance	-	2,000,000	-	-	-
Recoat Reservoir #4 Dominion Ave	Preventative Maintenance	-	125,000	2,080,000	-	-
Total System Upgrades		155,000	2,240,000	2,095,000	15,000	15,000
Advanced Metering Infrastructure (AMI)						
Construction/Implementation/Hardware/Software/Training/Project Management	Customer Service	3,558,132	274,693	-	-	-
Total Advanced Metering Infrastructure (AMI)		3,558,132	274,693	-	-	-
Vehicles/Equipment						
Replace Truck #615 (2012)	Life Cycle Replacement	58,000	-	-	-	-
Replace Truck #630 (2014)	Life Cycle Replacement	-	90,000	-	-	-
Replace Truck #626 (2015)	Life Cycle Replacement	-	-	58,000	-	-
Replace Truck #634 (2015)	Life Cycle Replacement	-	-	58,000	-	-
Total Vehicles/Equipment		58,000	90,000	116,000	-	-
Total Operating Fund						
		4,501,132	2,894,693	2,576,000	335,000	335,000
Reconstruction Fund						
Reconstruction						
Vierling/Eagle Creek Blvd Roundabout Watermain Relocatoin	City Street Recon	115,000	-	-	-	-
Bituminous Overlay	City CIP	40,000	40,000	25,000	-	35,000
Correct Deficient Services	As Needed	80,000	80,000	40,000	40,000	40,000
Full-Depth Pavement Reconstruction	City CIP	20,000	50,000	20,000	30,000	100,000
Water Main Reconstruction	City Street Recon	-	-	-	2,000,000	-
Project To be determined		50,000	-	-	-	-
Total Reconstruction		305,000	170,000	85,000	2,070,000	175,000
Total Reconstruction Fund						
		305,000	170,000	85,000	2,070,000	175,000

**Shakopee Public Utilities
Capital Improvement Plan
Semi-Final
Dated: 10/24/23
Water Detail**

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Item Description	Justification	2024	2025	2026	2027	2028
Trunk Fund						
Trunk Water Mains - SPU Projects (Completed by SPU)						
12" WM West of Tank #8 to LaTour Drive	Development	275,000	-	-	-	-
Misc. expenses to coordinated w/County & City Projects	Development	-	-	75,000	150,000	-
Projects to be determined		100,000	-	-	-	-
Total Trunk Water Mains - SPU Projects		375,000	-	75,000	150,000	-
Over Sizing - Non-SPU Projects (Completed by Others)						
12" WM Pike Lake Road, Whispering Waters 2nd Addition	Development	50,000	-	-	-	-
12" WM Parallel to CR 69 South from Vierling Drive 0.75 mile NES	Development	125,000	-	-	-	-
12" WM Thrush Street from CR 83 to 0.25 mile West 1- HES	Development	62,500	-	-	-	-
12" WM CR 83 from Thrush Street to 0.50 mile north and south 1-HES	Development	125,000	-	-	-	-
12" WM South of Valley View Road @ Independence 0.50 mile (Hauer) 1-HES	Development	125,000	-	-	-	-
12" WM from Tank #9 east .05 miles	Development	500,000	-	-	-	-
12" WM West of Tank #8 Site thru area B to CR 69 0.25 mile	Development	62,500	-	-	-	-
12" WM CR 69 0.25 miles north of CR 78	Development	62,500	-	-	-	-
12" WM West of CR 69 thru area B 1.0 miles 1-HES	Development	-	260,000	-	-	-
12" WM West of CR 69 thru area B 1.0 miles 2-HES	Development	-	260,000	-	-	-
12" WM Vierling Drive West from CR 69 0.25 mile NES	Development	-	65,000	-	-	-
12" WM CR 16 from CR 15 west to CR 69 - 0.75 mile 2-HES	Development/City Project/Scott County	-	200,000	-	-	-
16" WM Krystal Addition to CR 79 (800 ft) NES	Development	-	185,000	-	-	-
12" WM on Stagecoach Rd from Eagle Creek Preserve to Hansen Ave .025 miles	Development	-	-	-	-	150,000
16" WM East from Monarch Estates parallel to 17th Ave 0.50 miles	Development	-	-	-	-	400,000
16" WM South of Countryside parallel to CR 15 0.5 miles	Development	-	-	-	-	540,000
Projects to be determined		100,000	-	-	-	-
Total Over Sizing - Non-SPU Projects		1,212,500	970,000	-	-	1,090,000
Total Trunk Fund		1,587,500	970,000	75,000	150,000	1,090,000
Connection Fund						
Wells						
Observation Well TBD @ location TBD	Monitoring	130,000	-	-	-	-
Jordan Well #24 Submersible @ Tank #8 Site	Development	90,000	630,000			
1-HES Jordan Well #22 @ Church Addition	Development	-	100,000	660,000	-	-
Total Wells		220,000	730,000	660,000	-	-
Water Treatment						
Land Rights	Development	8,000,000	-	-	-	-
NES Treatment Plant for PFAS et all	Safety/Water Treatment	-	-	250,000	10,000,000	15,000,000
Raw Watermain locations TBD	Water Quality	1,500,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Water Treatment		9,500,000	1,000,000	1,250,000	11,000,000	16,000,000

**Shakopee Public Utilities
Capital Improvement Plan
Semi-Final
Dated: 10/24/23
Water Detail**

Item Description	Justification	2024	2025	2026	2027	2028
82 Pump House Additions/Expansions						
83 2-HES Pump House 23 @ Tank #8 Site (includes landscaping for tank #8)	Development	3,725,000	100,000	-	-	-
84 Pumphouse #6 Grade Change & Backup Generation	Water Supply	110,000	1,200,000	-	-	-
85 NES Pumphouse for Well #22 (Church Addition)	Safety/Water Treatment	-	-	100,000	3,640,000	-
86 Pumphouse #4 Demolition / Wells 4 and 5 sealing	Safety	-	-	-	-	300,000
87 PH#2 Conversion to Control House and raw watermain to PH#3	Safety/Water Treatment	-	-	-	-	4,250,000
88 Total Pump House Additions/Expansions		3,835,000	1,300,000	100,000	3,640,000	4,550,000
89						
90 New Tanks and Transmission Water Main						
91 2-HES District Storage (0.5 MG, Elevated Tank #9) @ Wood Duck Trail	Development	4,000,000	-	-	-	-
92 12" Transmission WM East of Tank #9 0.5 miles		750,000	-	-	-	-
93 Total New Tanks and Transmission Water Main		4,750,000	-	-	-	-
94 Booster Stations						
95 Inline Booster Station Site @ Foothill Road and Horizon Drive	Development	400,000	-	-	-	-
96 IHES to 2HES Booster Station @ Foothill/Horizon	Development	100,000	2,000,000	-	-	-
97 IHES to 2HES Booster Station @ Arbor Bluffs site design construction	Development	150,000	4,000,000	-	-	-
98 Total Booster Stations		500,000	2,000,000	-	-	-
99 Auxiliary Facilities						
100 Normal Zone Elevated Tank Altitude Valves	Pressure Control	60,000	-	-	-	-
101 Pressure Reducing Valve - 2-HES to 1-HES @ CR 69	Development	60,000	-	-	-	-
102 Fill Station Design and Construction locations TBD	Expanded Water Service to Contractors	-	450,000	-	472,500	-
103 Pressure Reducing Valve - 2-HES to 1-HES @ CR 78	Development	-	60,000	-	-	-
104 Pressure Reducing Valve - 1-HES to NES on Hwy 169	Development	-	-	60,000	-	-
105 Total Auxiliary Facilities		120,000	510,000	60,000	472,500	-
106 Total Connection Fund		18,925,000	5,540,000	2,070,000	15,112,500	20,550,000
107 Total Water		25,318,632	9,574,693	4,806,000	17,667,500	22,150,000



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DATE: November 1, 2023
TO: Greg Drent, General Manager *gld*
FROM: Kelley Willemsen, Director of Finance & Administration *kw*
SUBJECT: 2024 Preliminary Budget and Cash Flows

Background:

Over the past several months, staff has been preparing the preliminary budget, cash flows, and capital improvement plan for 2024.

The attached presentation provides details on the various assumptions made for the 2024 budget, cash flows and the wage and benefit impacts.

Informational Only:

The commission is requested to review the preliminary 2024 budget and cash flows and provide input. No formal approval required until 12/4 Commission Meeting.



2024 Budget and Cash Flows

11/6/2023

Agenda

2024 Electric Budget Assumptions

2024 Electric Budget and Cash Flows

Electric – Comparison to Prior Year

2024 Water Budget Assumptions

2024 Water Budget Cash Flows

Water – Comparison to Prior Year

2024 Organizational Chart

Wages and Benefits

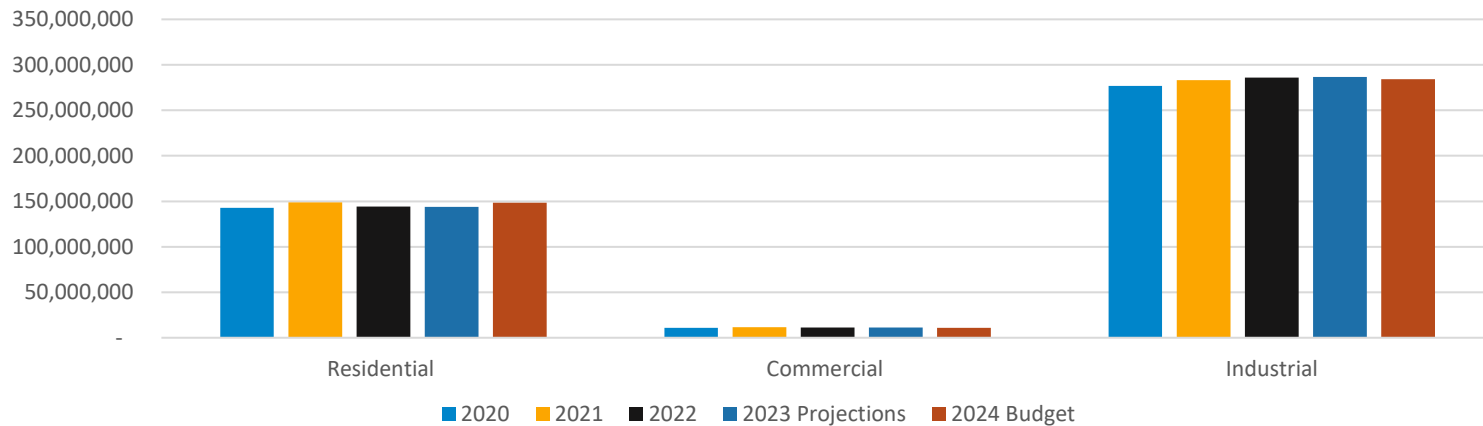
Budget Assumptions - Electric

- Revenue projections assume a rate increase of 3% in electric - Usage
- Revenue projections assume a rate increase of .50 cents on the residential service fee and a \$1.00 on the senior citizen fee (Senior Citizen rate is being phased out)
- Revenue projections assume no increase to the relocation underground charge
- Expense Planning assumptions for 2024 were based on 3-year averages and year to date expenses as of September 30, 2023, annualized. In addition, some adjustments were made where purchases were showing a higher inflation rate than average.

Budget Assumptions – Electric (Continued)

Total electric sales are projected at a 3.00% growth rate for residential, -1.33% growth rate for commercial, and -0.91% growth rate for industrial.

KWH's Billed



Year	Residential	Commercial	Industrial	Total
2020	142,955,574	10,811,084	276,993,575	430,760,233
2021	148,722,579	11,452,253	283,234,985	443,409,817
2022	144,191,985	11,375,393	286,019,222	441,586,600
2023 Projections	143,959,671	11,152,854	286,733,672	441,846,198
2024 Budget	148,355,627	11,004,521	284,124,396	443,484,544

2024 Electric Fund Budget Summary

ELECTRIC	2021	2022	2023	2023	2024	INCREASE/	PERCENT
	ACTUALS	ACTUALS	SEPT YTD	BUDGET	BUDGET	(DECREASE)	CHANGE
OPERATING REVENUE							
RESIDENTIAL SALES	\$ 19,996,991	\$ 21,548,095	\$ 17,167,203	\$ 22,060,491	\$ 23,316,224	\$ 1,255,733	5.69%
COMMERCIAL SALES	\$ 1,862,964	\$ 2,031,705	\$ 1,905,425	\$ 2,123,049	\$ 2,121,763	\$ (1,286)	-0.06%
INDUSTRIAL SALES	\$ 29,889,334	\$ 34,223,598	\$ 26,599,425	\$ 34,909,055	\$ 34,619,135	\$ (289,920)	-0.83%
CUSTOMER PENALTIES	\$ 134,686	\$ 314,715	\$ 266,192	\$ 275,184	\$ 305,619	\$ 30,435	11.06%
FREE SERVICE TO CITY	\$ 116,313	\$ 138,104	\$ 103,578	\$ 117,718	\$ 132,364	\$ 14,646	12.44%
CONSERVATION PROGRAM	\$ 771,635	\$ 862,219	\$ 680,852	\$ 865,405	\$ 900,857	\$ 35,452	4.10%
UNCOLLECTIBLE ACCOUNTS	\$ 81,089	\$ (71,335)	\$ -	\$ -	\$ -	\$ -	-
TOTAL OPERATING REVENUE	\$ 52,853,012	\$ 59,047,102	\$ 46,722,674	\$ 60,350,902	\$ 61,395,962	\$ 1,045,060	1.73%
OPERATING EXPENSES							
ELECTRIC	\$ 2,358,682	\$ 2,947,913	\$ 2,335,849	\$ 3,392,557	\$ 3,648,166	\$ 255,609	7.01%
PLANNING AND ENGINEERING	\$ 390,732	\$ 619,646	\$ 579,684	\$ 948,227	\$ 979,673	\$ 31,446	3.21%
CUSTOMER SERVICE	\$ 990,931	\$ 1,219,269	\$ 912,754	\$ 1,156,808	\$ 1,261,355	\$ 104,547	8.29%
MARKETING & KEY ACCOUNTS	\$ 994,983	\$ 818,580	\$ 732,678	\$ 1,116,719	\$ 1,143,682	\$ 26,963	2.36%
FINANCE AND ADMINISTRATION	\$ 39,203,913	\$ 44,074,880	\$ 34,695,507	\$ 43,957,893	\$ 45,136,479	\$ 1,178,586	2.61%
UTILITIES	\$ 188,703	\$ 473,348	\$ 213,384	\$ 481,746	\$ 497,920	\$ 16,174	3.25%
IT	\$ -	\$ -	\$ 469,755	\$ 643,014	\$ 619,920	\$ (23,094)	-3.73%
DEPRECIATION AND AMORTIZATION	\$ 2,482,092	\$ 2,950,002	\$ 2,098,903	\$ 3,145,933	\$ 3,261,970	\$ 116,037	3.56%
TOTAL OPERATING EXPENSES	\$ 46,610,037	\$ 53,103,639	\$ 42,038,514	\$ 54,842,897	\$ 56,549,166	\$ 1,706,269	3.02%
OPERATING INCOME	\$ 6,242,975	\$ 5,943,463	\$ 4,684,160	\$ 5,508,005	\$ 4,846,797	\$ (661,208)	-14%
TOTAL NON-OPERATING INCOME (EXPENSES)	\$ 120,106	\$ 165,676	\$ 112,377	\$ (405,871)	\$ 1,269,971	\$ 1,675,842	132%
TOTAL CAPITAL CONTRIBUTIONS	\$ 98,931	\$ 726,118	\$ 1,041,170	\$ 439,835	\$ 730,662	\$ 290,828	40%
TOTAL TRANSFER TO MUNICIPALITY	\$ (2,370,103)	\$ (3,576,023)	\$ (2,668,578)	\$ (3,415,176)	\$ (3,634,890)	\$ 219,715	6%
NET INCOME OR CHANGE IN NET ASSETS	\$ 4,091,909	\$ 3,259,234	\$ 3,169,130	\$ 2,126,792	\$ 3,212,539	\$ 1,085,747	34%

ELECTRIC FUNDS

Electric Operating Fund

Established to fund expenses associated with daily operations, maintenance, repairs, and replacement of existing facilities of the electric department and budget approved CIP projects and equipment.

Underground Relocation Fund

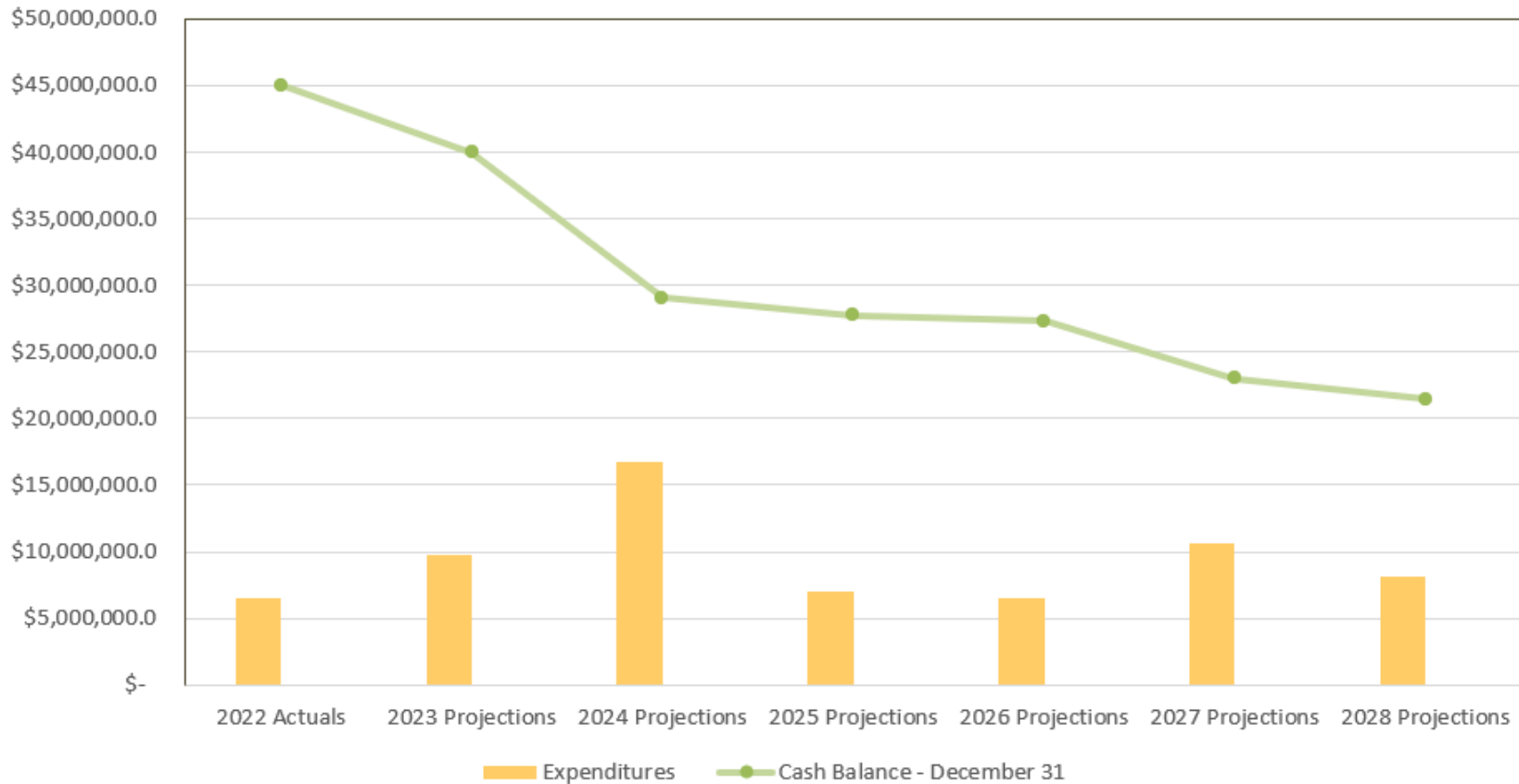
Established to fund the additional costs to relocate existing electric facilities underground rather than overhead when mandated by the City of Shakopee.

2024 Electric Fund Cash Flows

Cash Flows 2024 BUDGET

	2022 Actual	2023 Budget	2024 Proposed	2025 Estimated	2026 Estimated	2027 Estimated	2028 Estimated
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 60,614,923	\$ 59,916,784	\$ 61,263,598	\$ 63,714,142	\$ 66,262,708	\$ 68,913,216	\$ 71,669,745
Payment to employees	\$ (3,200,796)	\$ (3,328,828)	\$ (3,528,558)	\$ (3,669,700)	\$ (3,816,488)	\$ (3,969,147)	\$ (4,127,913)
Payment to suppliers	\$ (46,030,666)	\$ (48,368,136)	\$ (49,758,638)	\$ (51,748,984)	\$ (53,818,943)	\$ (55,971,701)	\$ (58,210,569)
Net cash flows - operating activities	\$ 11,383,461	\$ 8,219,820	\$ 7,976,402	\$ 8,295,458	\$ 8,627,277	\$ 8,972,368	\$ 9,331,262
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Payments to City of Shakopee	\$ (3,576,023)	\$ (3,145,933)	\$ (3,534,891)	\$ (3,604,568)	\$ (3,676,660)	\$ (3,750,193)	\$ (3,825,197)
Proceeds from Sale of Assets	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers between Funds	\$ (200,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Used by Noncapital Financing Activities	\$ (3,751,023)	\$ (3,145,933)	\$ (3,534,891)	\$ (3,604,568)	\$ (3,676,660)	\$ (3,750,193)	\$ (3,825,197)
Capital and Related Financing Activities							
Acquisition of capital assets	\$ (6,544,459)	\$ (9,747,948)	\$ (16,758,209)	\$ (7,039,401)	\$ (6,530,660)	\$ (10,639,213)	\$ (8,182,718)
Capital Contributions	\$ 726,118	\$ 439,835	\$ 730,662	\$ 752,582	\$ 775,159	\$ 798,414	\$ 822,367
Acquisition of capital assets - Admin	\$ -	\$ -	\$ (461,260)	\$ (176,300)	\$ (119,831)	\$ (200,234)	\$ (161,250)
Net cash flows - capital and related financing activities	\$ (5,818,341)	\$ (9,308,113)	\$ (16,488,807)	\$ (6,463,119)	\$ (5,875,332)	\$ (10,041,032)	\$ (7,521,601)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment Income	\$ (987,925)	\$ (803,998)	\$ 1,117,655	\$ 486,000	\$ 486,000	\$ 486,000	\$ 486,000
Net Cash provided by Investment activity	\$ (987,925)	\$ (803,998)	\$ 1,117,655	\$ 486,000	\$ 486,000	\$ 486,000	\$ 486,000
Net Change in cash and cash equivalents	\$ 826,172	\$ (5,038,224)	\$ (10,929,641)	\$ (1,286,229)	\$ (438,715)	\$ (4,332,858)	\$ (1,529,536)
Beginning of the year (Including Investments)	\$ 44,204,443	\$ 45,030,615	\$ 39,992,391	\$ 29,062,751	\$ 27,776,522	\$ 27,337,806	\$ 23,004,949
End of the Year (Including Investments)	\$ 45,030,615	\$ 39,992,391	\$ 29,062,751	\$ 27,776,522	\$ 27,337,806	\$ 23,004,949	\$ 21,475,413
Cash Reserves - 6 Months of Operating Expenses		\$ (25,848,482)	\$ (26,643,598)	\$ (27,709,342)	\$ (28,817,715)	\$ (29,970,424)	\$ (31,169,241)

2024 Electric Fund Cash Flows (Continued)



Prior Year Comparison – 2023/2024

Electric Fund

- ❑ **Operating Revenues:** Is expected to increase by \$1,045,060 or 1.73% from the 2023 budget
- ❑ **Operating Expenses:** Is expected to increase by \$1,706,269 or 3.02% from the 2023 budget
- ❑ **Operating Income:** Is expected to decrease \$661,208 or -14% from the 2023 budget
- ❑ **Transfer to Municipality:** Is expected to increase by \$219,715 or 6% from the 2023 budget

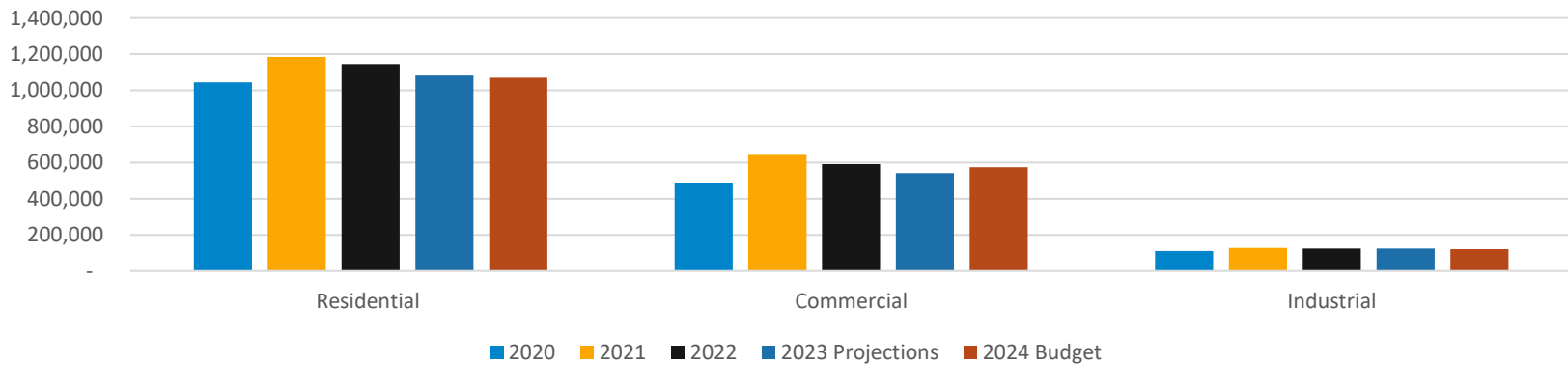
Budget Assumptions - Water

- ❑ Revenue projections assume an annual rate increase of an average 5% based on the 2021 rate study (DBC Consulting)
- ❑ Water Reconstruction Charge– \$0.42/\$1,000 gallon – Revenue projections assume no increase
- ❑ Trunk Water – 116 Acres at \$5,359 / Acre – Revenue projections assume an increase from \$5,116 in 2023 *(Based on Elher's 2020 Rate Study)*
- ❑ Connection Fees – \$5,693/Per Equivalent SAC Unit plus \$0.134 per Sq. Ft (for Industrial Only) - Revenue projections assume an increase from \$5,637/per Equivalent SAC Unit plus \$0.133 per Sq. Ft (for Industrial Only) in 2023 *(Based on Elher's 2020 Rate Study)*
- ❑ Expense Planning assumptions for 2024 were based on 3-year averages and year to date expenses as of September 30, 2023, annualized. In addition, some adjustments were made where purchases were showing a higher inflation rate than average.

Budget Assumptions – Water (Continued)

Total water sales are projected at a 0.00% growth rate for all rate classes. Gallons projected for 2024 were based on 3-years of historical usage and weather patterns. Irrigation water sales could see a decline in 2024 if weather and usage patterns see a material change. Gallons projected were adjusted by irrigation averages.

Water Gallons Billed



Year	Residential	Commercial	Industrial	Total
2020	1,045,061	487,527	110,229	1,642,817
2021	1,184,947	643,438	128,129	1,958,535
2022	1,145,577	592,120	125,165	1,862,862
2023 Projections	1,081,313	542,558	123,972	1,747,843
2024 Budget	1,070,143	574,362	121,174	1,765,679

2024 Water Fund Budget Summary

WATER	2021	2022	2023	2023	2024	INCREASE/	PERCENT
	ACTUALS	ACTUALS	SEPT YTD	BUDGETED	BUDGET	(DECREASE)	CHANGE
OPERATING REVENUE							
RESIDENTIAL SALES	\$ 3,684,101	\$ 3,780,680	\$ 3,551,799	\$ 3,800,971	\$ 4,109,514	\$ 308,543	7.51%
COMMERCIAL SALES	\$ 1,769,298	\$ 1,710,132	\$ 1,662,639	\$ 1,652,809	\$ 1,859,789	\$ 206,980	11.13%
INDUSTRIAL SALES	\$ 304,969	\$ 309,566	\$ 281,600	\$ 320,808	\$ 335,764	\$ 14,956	4.45%
OTHER WATER SALES	\$ 833,736	\$ 805,431	\$ 711,308	\$ 747,494	\$ 753,585	\$ 6,091	0.81%
CUSTOMER PENALTIES	\$ 12,682	\$ 23,504	\$ 19,232	\$ 35,509	\$ 39,898	\$ 4,389	11.00%
UNCOLLECTIBLE ACCOUNTS	\$ 5,749	\$ 3,500	\$ -				
TOTAL OPERATING REVENUE	\$ 6,610,535	\$ 6,632,813	\$ 6,226,577	\$ 6,557,592	\$ 7,098,550	\$ 540,959	8.25%
OPERATING EXPENSES						\$ -	
ELECTRIC	\$ 41,190	\$ 44,577	\$ 15,069	\$ 22,352	\$ 22,706	\$ 354	1.56%
WATER	\$ 1,842,167	\$ 1,957,990	\$ 1,594,660	\$ 2,194,946	\$ 2,429,611	\$ 234,665	9.66%
PLANNING AND ENGINEERING	\$ 125,474	\$ 212,664	\$ 201,104	\$ 304,018	\$ 366,958	\$ 62,940	17.15%
CUSTOMER SERVICE	\$ 362,890	\$ 441,515	\$ 302,497	\$ 406,068	\$ 455,984	\$ 49,916	10.95%
MARKETING & KEY ACCOUNTS	\$ 31,919	\$ 53,794	\$ 47,626	\$ 79,347	\$ 80,174	\$ 827	1.03%
FINANCE AND ADMINISTRATION	\$ 1,144,815	\$ 973,303	\$ 682,771	\$ 953,238	\$ 997,242	\$ 44,004	4.41%
UTILITIES	\$ 137,984	\$ 216,414	\$ 111,507	\$ 272,905	\$ 274,323	\$ 1,418	0.52%
IT	\$ -	\$ -	\$ 159,340	\$ 208,235	\$ 167,724	\$ (40,511)	-24.15%
DEPRECIATION AND AMORTIZATION	\$ 1,777,894	\$ 1,860,949	\$ 1,437,738	\$ 1,929,592	\$ 2,006,776	\$ 77,184	3.85%
TOTAL OPERATING EXPENSES	\$ 5,464,333	\$ 5,761,207	\$ 4,552,312	\$ 6,370,701	\$ 6,801,498	\$ 430,797	6.33%
OPERATING INCOME	\$ 1,146,202	\$ 871,606	\$ 1,674,265	\$ 186,891	\$ 297,053	\$ 110,162	37.08%
TOTAL NON-OPERATING INCOME (EXPENSES)	\$ 144,827	\$ 150,188	\$ 118,178	\$ (63,653)	\$ 583,975	\$ 647,628	110.90%
CAPITAL CONTRIBUTIONS	\$ 6,685,954	\$ 8,012,023	\$ 3,092,656	\$ 2,339,648	\$ 3,649,911	\$ 1,310,263	35.90%
TOTAL TRANSFER TO MUNICIPALITY	\$ (253,115)	\$ (348,233)	\$ (297,000)	\$ (393,455)	\$ (425,913)	\$ (32,458)	7.62%
NET INCOME OR CHANGE IN NET ASSETS	\$ 7,723,868	\$ 8,685,584	\$ 4,588,099	\$ 2,069,431	\$ 4,105,026	\$ 2,035,595	50%

Prior Year Comparison – 2023/2024

Water Fund

- ❑ **Operating Revenues:** Is expected to increase by \$540,959 or 8.25% from the 2023 budget
- ❑ **Operating Expenses:** Is expected to increase by \$430,797 or 6.33% from the 2023 budget
- ❑ **Operating Income:** Is expected to increase by \$110,162 or 37.08% from the 2023 budget
- ❑ **Transfer to Municipality:** Is expected to increase by \$32,458 or 7.62% from the 2023 budget
- ❑ **Capital Contributions (Trunk Water & Water Connections):** Is expected to increase by \$1,310,263 or 35.90% from the 2023 budget. Trunk Water and Water Connection revenue projections were reviewed with engineering and adjusted to reflect current planned projects and related timing in the 5 – Year Cash Flow projections.

WATER FUNDS

Water Operating Fund

Established to fund expenses associated with daily operations, maintenance, repairs, and replacement of existing facilities of the water department and budget approved CIP projects and equipment.

Connection Fund

Established to fund the initial costs to provide capacity of water supply, wells, pumphouses, water treatment, and pressure booster stations and reducing valves

Reconstruction Fund

Established to fund the cost to reconstruct existing watermain and related facilities in conjunction with the City of Shakopee street reconstruction programs.

Trunk Fund

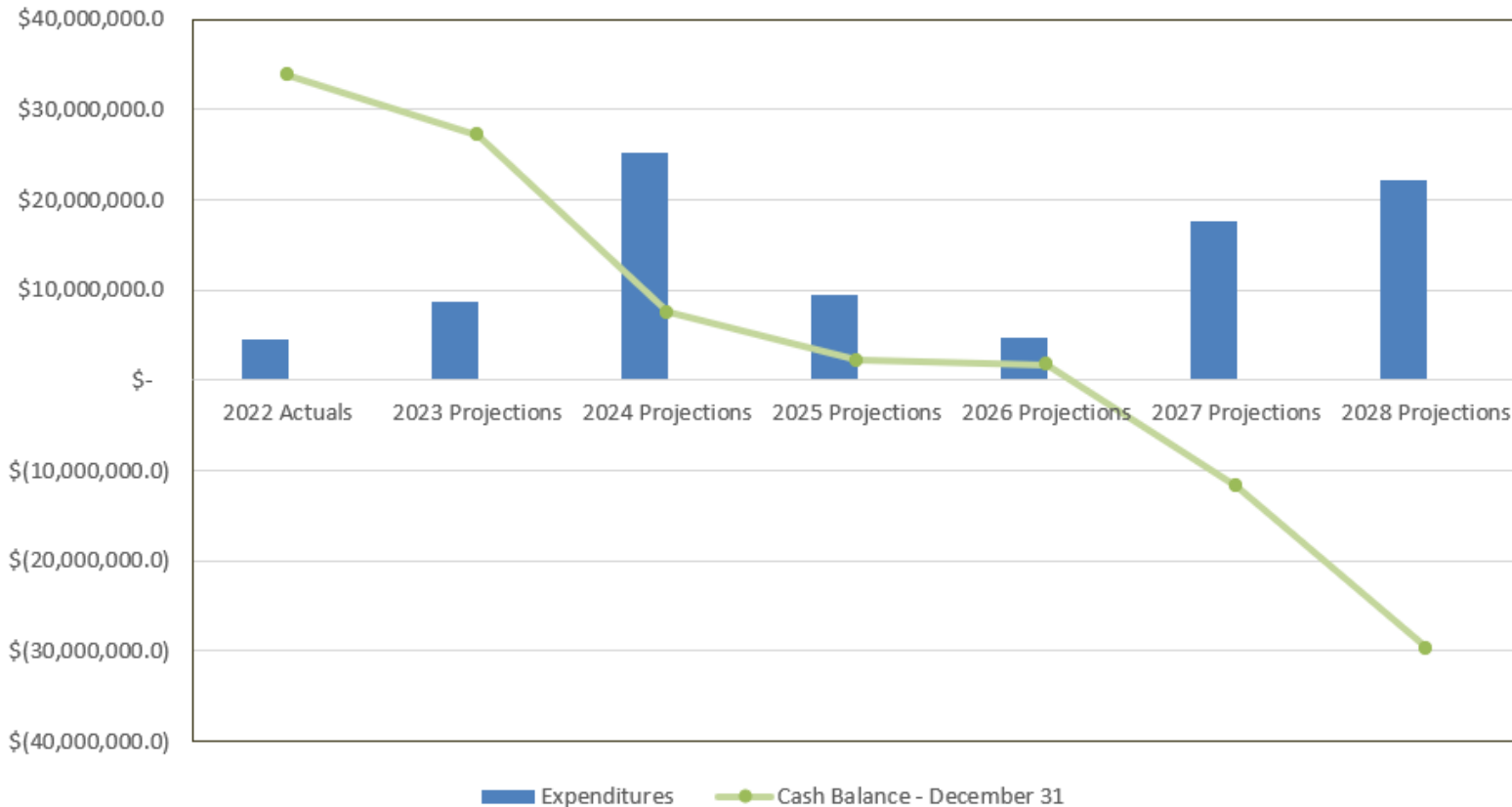
Established to fund the initial costs to oversize lateral watermains to support a robust trunk watermain system.

2024 Water Fund – Cash Flows

Cash Flows BUDGET 2024

	2022 Actual	2023 Budget	2024 Proposed	2025 Estimated	2026 Estimated	2027 Estimated	2028 Estimated
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 4,693,649	\$ 6,557,591	\$ 7,098,550	\$ 7,240,521	\$ 7,385,332	\$ 7,533,038	\$ 7,683,699
Payment to employees	\$ (1,462,872)	\$ (1,509,977)	\$ (1,802,496)	\$ (1,730,696)	\$ (1,799,924)	\$ (1,871,920)	\$ (1,946,797)
Payment to suppliers	\$ (2,858,368)	\$ (2,931,132)	\$ (3,192,226)	\$ (3,319,915)	\$ (3,452,712)	\$ (3,590,820)	\$ (3,734,453)
Net cash flows - operating activities	\$ 372,409	\$ 2,116,482	\$ 2,303,828	\$ 2,189,911	\$ 2,132,697	\$ 2,070,298	\$ 2,002,449
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Payments to City of Shakopee	\$ (348,233)	\$ (393,455)	\$ (425,913)	\$ (434,431)	\$ (443,120)	\$ (451,982)	\$ (461,022)
Proceeds from Sale of Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers between Funds	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Used by Noncapital Financing Activities	\$ (148,233)	\$ (393,455)	\$ (425,913)	\$ (434,431)	\$ (443,120)	\$ (451,982)	\$ (461,022)
Capital and Related Financing Activities							
Acquisition of capital assets	\$ (4,630,242)	\$ (8,796,846)	\$ (25,318,632)	\$ (9,574,693)	\$ (4,806,000)	\$ (17,667,500)	\$ (22,150,000)
Acquisition of capital assets - Admin	\$ -	\$ -	\$ (153,753)	\$ (58,767)	\$ (39,944)	\$ (66,745)	\$ (53,750)
Connection Charges	\$ 5,548,464	\$ -	\$ 2,943,281	\$ 1,694,598	\$ 1,711,544	\$ 1,728,659	\$ 1,745,946
Trunk Charges	\$ 364,102	\$ 593,441	\$ 621,630	\$ 651,157	\$ 682,087	\$ 714,486	\$ 748,424
Installation Fees	\$ 139,561	\$ 85,000	\$ 116,520	\$ 121,181	\$ 126,028	\$ 131,070	\$ 136,312
Net cash flows - capital and related financing activities	\$ 1,421,885	\$ (8,118,405)	\$ (21,790,954)	\$ (7,166,524)	\$ (2,326,284)	\$ (15,160,030)	\$ (19,573,068)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment Income	\$ (76,771)	\$ (293,166)	\$ 262,166	\$ 114,000	\$ 114,000	\$ 114,000	\$ 114,000
Net Cash provided by Investment activity	\$ (76,771)	\$ (293,166)	\$ 262,166	\$ 114,000	\$ 114,000	\$ 114,000	\$ 114,000
Net Change in cash and cash equivalents	\$ 1,569,291	\$ (6,688,544)	\$ (19,650,873)	\$ (5,297,044)	\$ (522,708)	\$ (13,427,715)	\$ (17,917,641)
Beginning of the year (Including Investments)	\$ 32,291,310	\$ 33,860,601	\$ 27,172,057	\$ 7,521,184	\$ 2,224,140	\$ 1,701,432	\$ (11,726,283)
End of the Year (Including Investments)	\$ 33,860,601	\$ 27,172,057	\$ 7,521,184	\$ 2,224,140	\$ 1,701,432	\$ (11,726,283)	\$ (29,643,923)
Cash Reserves - 6 Months of Operating Expenses	\$ -	\$ (2,220,555)	\$ (2,356,611)	\$ (2,482,926)	\$ (2,582,243)	\$ (2,685,533)	\$ (2,792,954)

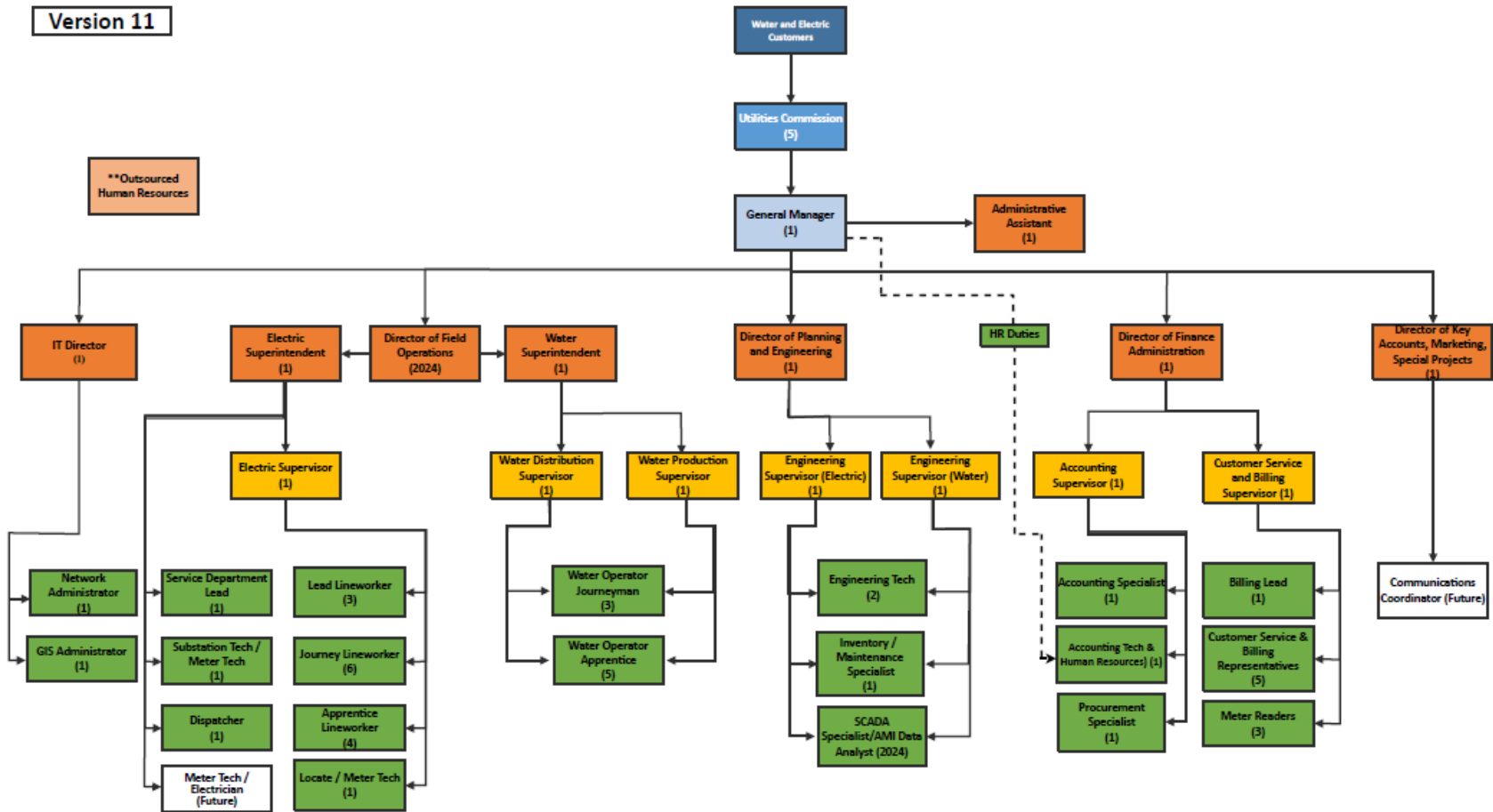
2024 Water Fund – Cash Flows (Continued)



2024 Organizational Chart

Version 11

**Outsourced
Human Resources



2024 Wages

- ❑ Wage Ranges were increased by 4%
- ❑ Performance Evaluations were completed 9/30/23 by Department Heads
- ❑ Performance Evaluation Scores & Midpoint percentages were reviewed against Metric Increase Grid
- ❑ Increases were reviewed with Department Heads
 - 2024 Wage Provisions – \$399,143.80.
 - Includes: Open position (to be filled in 2024) – SCADA Specialist/AMI Data Analyst
 - Open position (to be filled in 2024) – Director of Field Operations

2024 Benefits

- Health Insurance rate change for 2024 – 0%; new 2-year contract and a maximum increase of 7% for 2025
- HSA annual SPU contribution: Single \$1,550/Family \$2,100
- Long term disability renewal increase 0% (coverage at \$25,000)
- Life Insurance renewal 0% increase: 100% covered
- Deferred Comp: \$2,000 match
- Health SPU contribution: 100% single, 80% dependents
- Dental SPU contribution: 100% single, 80% dependents
- Vacation: Vacation is based on length of service steps

Medical Insurance – Health Partners (2024/2025 Renewal) – 2 Year Contract

Shakopee Public Utilities

HealthPartners				
Current Plans	Enrollment	Monthly Rates		
\$3,500-100% HSA		Current	Renewal	2025 Renewal Cap
Employee	27	\$708.20	\$708.20	\$757.77
Employee + Spouse	7	\$1,947.55	\$1,947.55	\$2,083.88
Employee + Child(ren)	5	\$1,345.59	\$1,345.59	\$1,439.78
Family	15	\$2,160.01	\$2,160.01	\$2,311.21
Monthly Subtotals:	54	\$71,882	\$71,882	\$76,914
Annual Subtotals:		\$862,588	\$862,588	\$922,968
Plan Change %			0%	7%
Est. Annual Dollar Change			\$0	\$60,380

* 2nd year 7%rate cap

Dental Insurance – Delta Dental 2024 Renewal

Plan: Delta Dental Solutions

Employee:	\$51.04
Employee + Spouse:	\$102.09
Employee + Child(ren):	\$132.80
Family:	\$166.75

Monthly Totals: \$5,792.19

Annual Totals: \$69,506.28

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: Greg Drent, General Manager *gld*
FROM: Joseph D. Adams, Planning & Engineering Director *J Adams*
SUBJECT: East Shakopee Substation First Amendment to Purchase Agreement
DATE: November 1, 2023

ISSUE

The Commission previously approved the purchase agreement for a substation site of approximately 2.8 acres located at the intersection of Maras Street and Hansen Avenue. Due to the need to close on the site and complete the purchase this year, a condition of the seller for tax purposes, an amendment is needed to address the unfinished step of platting the property.

BACKGROUND

The purchase agreement amount is not changing and remains at \$1,077,470 and includes the site and an easement across the adjoining property for a future duct bank for the substation exist circuits.

To separate the parcel SPU desires to purchase from its larger parent parcel, city staff initially directed the seller to first plat the property with the existing roadway easement for Maras Street that bisects the parent parcel platted as right of way.

DISCUSSION

Subsequently, the city directed the roadway easement for Maras Street be vacated and platted as a drainage and utilities easement vs right of way since the city never intends to construct a street in this corridor. The city only intends to extend a future sanitary sewer line in the corridor.

The separate parcel SPU is purchasing will now be created by an administrative subdivision (lot split) by the city staff with the intent that SPU will complete the platting process post-closing.



PO Box 470 • 255 Sarazin Street
Shakopee, Minnesota 55379
Main 952.445-1988 • Fax 952.445-7767
www.shakopeeutilities.com

Since SPU will complete the platting later, the seller is paying the park dedication fee due when a plat is approved at the 2023 rate at the closing to SPU. SPU will eventually pay the park dedication fee when the revised plat is approved at the 2024 rate.

RECOMMENDATION

Staff recommends the Commission approve the First Amendment to the Purchase Agreement and authorize its execution.

FIRST AMENDMENT TO PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AGREEMENT (this “**Amendment**”) is entered into effective November ___, 2023 (the “**Effective Date**”), by and between MARAS STREET, LLC, a Minnesota limited liability company (“**Seller**”), and SHAKOPEE PUBLIC UTILITIES COMMISSION, a Minnesota municipal utility commission (“**Buyer**”).

RECITALS

A. Seller and Buyer are parties to that certain Purchase Agreement dated February 10, 2023 (the “**Purchase Agreement**”) for the sale and purchase of a portion of the Property located at 1465 Maras Street, Shakopee, Minnesota 55379 (the “**Property**”), as further described therein.

B. Seller and Buyer desire to amend the Purchase Agreement on the terms and conditions set forth herein.

C. Capitalized terms used but not defined in this Amendment shall have the meaning ascribed to such term in the Purchase Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Purchase Agreement as follows:

1. Parcel Subdivision The parties acknowledge and agree that in lieu of a plat, the Parent Parcel will be subdivided and the tax parcel will be split through an administrative subdivision. Seller shall provide a Warranty Deed to Buyer for the Subject Property and shall execute and cause to be recorded a Quit Claim Deed for the remainder of the Parent Parcel (the “**Remnant Parcel**”). The Warranty Deed and the Quit Claim Deed shall be submitted for approval to Scott County and the City of Shakopee to effectuate the administrative subdivision and tax parcel split prior to Closing to allow for recordation of such deeds at Closing. Seller shall provide the legal descriptions and any items required by Scott County or the City of Shakopee to effectuate the administrative subdivision and tax parcel split. Buyer shall be responsible for completion of the plat of the Subject Parcel post-closing.

2. Park Dedication Fees. Seller shall pay to Buyer \$27,170.00, representing the amount of a park dedication fee required to be paid in connection with the filing of the plat, at Closing. Buyer shall be responsible for paying the park dedication fees to the City of Shakopee when the plat is filed, including any increase due at the time of the plat filing, if required.

3. Assessments. Pursuant to Section 7.2 of the Purchase Agreement, Seller is required to pay on or prior to the Closing Date, all special assessments, whether or not then due, levied or pending against the Property as of Closing, including, but not limited to street assessments for a current City of Shakopee project (the “**Street Assessment**”). Seller and Buyer acknowledge and agree that the Street Assessment is currently pending and is estimated to be \$80,160.04. The City of Shakopee’s City Council is meeting November 7, 2023, and is expected to levy the Street

Assessments at this meeting. Seller shall pay the full amount levied by the Shakopee City Council for the Street Assessment at Closing. If the Shakopee City Council fails to levy the Street Assessment at its November 7, 2023 meeting, the Title Company shall withhold in escrow from Seller's proceeds at closing an amount equal to 150% of the estimated amount thereof. When the amount of the Street Assessment becomes fixed and payable, the Title Company shall apply said escrow in payment of the Street Assessment, returning any surplus to Seller; provided, however, that if the amount withheld in escrow is insufficient to pay the assessments, Seller shall immediately pay, and shall be liable for the immediate payment of, any such deficiency.

4. Seller's Closing Documents. In addition to the documents required to be delivered to Buyer at Closing pursuant to Section 6.2 of the Purchase Agreement, Seller shall deliver or cause to be delivered at Closing the Quit Claim Deed for the Remnant Parcel required pursuant to Section 1 of this Amendment.

5. Ratification. Except as provided in this Amendment, all of the provisions of the Purchase Agreement are hereby ratified and confirmed and continue in full force and effect.

6. Binding Effect. This Amendment is binding on and inures to the benefit of Seller and Buyer and their respective heirs, successors and assigns.

7. Counterparts. This Amendment may be signed in any number of counterparts, with the same effect as if the signature on each counterpart were on the same instrument. For purposes of this Agreement, a facsimile or electronic pdf signature shall be deemed the same as an original.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS OF this Amendment, Seller and Buyer have duly executed it as of the Effective Date.

SELLER:

MARAS STREET, LLC,
a Minnesota limited liability company

By: _____
Its: _____

BUYER:

SHAKOPEE PUBLIC UTILITIES COMMISSION,
a Minnesota municipal utility commission

By: _____
Its: _____

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